



12A

MEMORANDUM

TO: City Council

FROM: Astrida Trupovnieks, HRSI Manager

REVIEWED BY: Leslie Walker, Assistant City Attorney

DATE: December 13, 2016

ITEM: Resolution Approving the Salary Schedule Changes to Include the Library Manager and GIS Analyst I/II Classifications, Publish Two Salary Schedules for LPOA and Public Safety Mid-Management to Reflect a 2080 hour and 2184 hour Work Schedule, Implement Minimum Wage Adjustments, and Improve Formatting

RESOLUTION(s): Yes

ORDINANCE(s): No

RECOMMENDATION:

Staff recommends the City Council approve the modified salary schedules. The revisions will accomplish the following objectives: 1) include the recently approved Library Manager and GIS Analyst I/II classifications, 2) increase the minimum wage to the affected classifications due to statutory requirements, 3) publish a salary schedule for the LPOA and the Public Safety Mid-Management Group to reflect both a 2080 hour work schedule and a 2184 hour work schedule, and 4) replace a single salary schedule listing all positions to a separate salary schedule for each bargaining unit.

BACKGROUND:

First, in June, the Council approved the new Library Manager classification, and in November, Council approved the GIS Analyst I/II classifications. The two classifications are added to the attached salary schedules. The Library Manager, a direct report to the City Manager, is in the unrepresented group. (Attachment A) while the GIS Analyst I/II are in the Professional / Administrative (Local 39) Salary Schedule (Attachment B).

Second, Senate Bill (SB) 3 increases the minimum wage each year through 2022. Effective January 1, the minimum wage will increase from \$10 to \$10.50 per hour. This increase is shown in Attachment C.



Third, staff adjusted the Lincoln Police Officers' Association salary schedule (Attachment D) and the Police/Fire Supervisory Group (Attachment E) to reflect both a 2080-hour annual work schedule and a 2184-hour annual work schedule for the Police Officer and Police Sergeant positions. While the rate per hour is the same, the spreadsheets reflecting monthly and annual salaries will differ because of the number of hours worked. Police working an eight-hour day work 2080 hours per year, and police working a 12-hour shift work 2184 hours per year.

Last, staff recommends salary schedules be approved and published by bargaining unit. This format is in line with many California cities. In the near future, an interested person may click on a link for each bargaining unit and locate each unit's job descriptions, salaries, and MOUs. This new format is reflected in the attachments:

- Attachment A: Unrepresented Bargaining Group
- Attachment B: Professional / Administrative (Local 39) Bargaining Group*
- Attachment C: Seasonal Group (strictly seasonal, no bargaining unit)
- Attachment D: Lincoln Police Officers' Association (LPOA) Bargaining Group,
- Attachment E: Police / Fire Mid-Management / Supervisory Bargaining Group,
- Attachment F: Mid-Management / Confidential Bargaining Group
- Attachment G: Classified (Local 39) Bargaining Group, and
- Attachment H: Lincoln Professional Firefighter Association (LPFA) Bargaining Group).

CONCLUSIONS: Each time salary schedules are adjusted by policy, statute, or administrative procedure, City Council is required to approve the modified salary schedule.

ALTERNATIVES: Staff can identify no alternative.

FISCAL IMPACT:

Increasing the minimum wage from \$10.00 per hour to \$10.50 increases the minimum wage by five percent.

STRATEGIC PLAN ACTION ITEM: No

RELATED ACTION(s): No

ATTACHMENTS:

Resolution





- Attachment A: Salary Schedule, Unrepresented Bargaining Group
- Attachment B: Salary Schedule, Professional / Administrative (Local 39) Bargaining Group
- Attachment C: Salary Schedule, Seasonal Group (strictly seasonal, no bargaining unit)
- Attachment D: Salary Schedule, Lincoln Police Officers' Association (LPOA) Bargaining Group
- Attachment E: Salary Schedule, Police / Fire Mid-Management / Supervisory Bargaining Group
- Attachment F: Salary Schedule, Mid-Management / Confidential Bargaining Group
- Attachment G: Salary Schedule, Classified (Local 39) Bargaining Group
- Attachment H: Salary Schedule, Lincoln Professional Firefighter Association (LPFA) Bargaining Group





RESOLUTION NO. 2016-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LINCOLN APPROVING SALARY SCHEDULE CHANGES TO INCLUDE TWO NEW CLASSIFICATIONS, TO IMPLEMENT MINIMUM WAGE ADJUSTMENTS, ESTABLISH BOTH A 2080 HOUR AND 2184 HOUR SALARY SCHEDULE FOR LPOA AND PUBLIC SAFETY MID-MANAGEMENT, AND TO REVISE FORMAT

WHEREAS, the City Council approved the Library Manager classification in June 2016 and the GIS Analyst I/II in November 2016; and

WHEREAS, CA Senate Bill (SB) 3 increases the minimum wage each year through 2022; and

WHEREAS, effective January 1, the minimum wage will increase from \$10 to \$10.50 per hour and the statutory requirement will cause the college intern and recreation aide family classifications to have increases to the salary schedules;

WHEREAS, the LPOA and Public Safety Mid-Management employee groups work a 2080 hour schedule and a 2184 hour schedule;

WHEREAS, staff recommends a new format to ease the use and reference of the salary schedules; and

WHEREAS, salary schedules have been updated to include the new classifications, increase the statutory state minimum wage, provide for a 2080 hour and 2184 hour salary schedule, and ease use and reference.

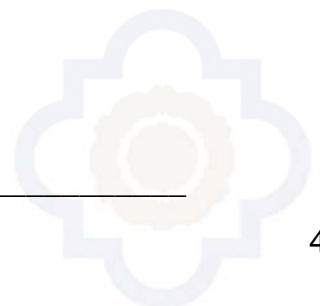
NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lincoln hereby recommends approving the salary schedules to include the Library Manager and GIS Analyst I/II classifications, increase the minimum wage affecting the college intern and recreation aide classification families, provide for a 2080 hour and 2184 hour salary schedule, and ease use and reference.

PASSED AND ADOPTED this 13th day of December, 2016.

Ayes: Councilmembers:

Noes: Councilmembers:

Absent: Councilmembers:





Peter Gilbert, Mayor

ATTEST:

Gwen Scanlon, City Clerk



City of Lincoln Salary Schedule

Unrepresented Group (including single contract staff, positions elected by the public or by appointment by CC)

Job Title	Barg Unit	Monthly						
		Step A	Step B	Step C	Step D	Step E	Step F	Step G
Assistant City Manager	Contract	\$ 11,086.44	\$ 11,640.77	\$ 12,222.81	\$ 12,833.95	\$ 13,475.64	\$ 14,149.42	\$ 14,856.90
Chief of Police	Contract	\$ 10,259.69	\$ 10,772.67	\$ 11,311.30	\$ 11,876.87	\$ 12,470.71	\$ 13,094.25	\$ 13,748.96
City Manager (per employee contract)	Contract	\$ 16,125.00						
Council Member (pursuant to GC §36516)	N/A	\$ 655.00						
Director of Development Services	Contract	\$ 9,296.65	\$ 9,761.48	\$ 10,249.55	\$ 10,762.03	\$ 11,300.13	\$ 11,865.14	\$ 12,458.39
Director of Support Services	Contract	\$ 8,945.63	\$ 9,392.91	\$ 9,862.55	\$ 10,355.68	\$ 10,873.46	\$ 11,417.14	\$ 11,987.99
Director of Library Services	Contract	\$ 8,087.98	\$ 8,492.38	\$ 8,917.00	\$ 9,362.85	\$ 9,830.99	\$ 10,322.54	\$ 10,838.67
Director of Public Services	Contract	\$ 9,767.93	\$ 10,256.33	\$ 10,769.14	\$ 11,307.60	\$ 11,872.98	\$ 12,466.63	\$ 13,089.96
Fire Chief	Contract	\$ 9,259.42	\$ 9,722.39	\$ 10,208.51	\$ 10,718.94	\$ 11,254.88	\$ 11,817.63	\$ 12,408.51
Human Resources Manager	Contract	\$ 7,588.19	\$ 7,967.60	\$ 8,365.98	\$ 8,784.28	\$ 9,223.49	\$ 9,684.67	\$ 10,168.90
Library Manager	Contract	\$ 4,632.16	\$ 4,863.77	\$ 5,106.96	\$ 5,362.30	\$ 5,630.42	\$ 5,911.94	\$ 6,207.54
Mayor (pursuant to GC §36516)	N/A	\$ 655.00						
Planning Commissioner (paid monthly)	N/A	\$ 100.00						
Treasurer (paid monthly)	N/A	\$ 50.00						

City of Lincoln Salary Schedule

Professional / Administrative (Local 39) Bargaining Unit

GFE = Grandfathered Employees (only employees hired prior to 7/1/12 and had education pay)

Job Title	Barg Unit	Monthly						
		Step A	Step B	Step C	Step D	Step E	Step F	Step G
Account Clerk I	Prof/Admin	\$ 2,889.67	\$ 3,034.15	\$ 3,185.86	\$ 3,345.15	\$ 3,512.41	\$ 3,688.03	\$ 3,872.43
Account Clerk I (GFE)	Prof/Admin	\$ 3,034.15	\$ 3,185.86	\$ 3,345.15	\$ 3,512.41	\$ 3,688.03	\$ 3,872.43	\$ 4,066.05
Account Clerk II	Prof/Admin	\$ 3,185.86	\$ 3,345.15	\$ 3,512.41	\$ 3,688.03	\$ 3,872.43	\$ 4,066.05	\$ 4,269.35
Account Clerk II (GFE)	Prof/Admin	\$ 3,345.15	\$ 3,512.41	\$ 3,688.03	\$ 3,872.43	\$ 4,066.05	\$ 4,269.35	\$ 4,482.82
Accountant I	Prof/Admin	\$ 4,066.05	\$ 4,269.36	\$ 4,482.82	\$ 4,706.96	\$ 4,942.31	\$ 5,189.43	\$ 5,448.90
Accountant II	Prof/Admin	\$ 4,482.81	\$ 4,706.95	\$ 4,942.30	\$ 5,189.42	\$ 5,448.89	\$ 5,721.33	\$ 6,007.40
Accounts Payable Specialist	Prof/Admin	\$ 3,512.40	\$ 3,688.02	\$ 3,872.43	\$ 4,066.05	\$ 4,269.35	\$ 4,482.82	\$ 4,706.96
Administrative Analyst I	Prof/Admin	\$ 4,398.70	\$ 4,618.63	\$ 4,849.56	\$ 5,092.04	\$ 5,346.64	\$ 5,613.97	\$ 5,894.67
Administrative Analyst II	Prof/Admin	\$ 4,849.54	\$ 5,092.02	\$ 5,346.62	\$ 5,613.95	\$ 5,894.64	\$ 6,189.38	\$ 6,498.85
Assistant Engineer	Prof/Admin	\$ 4,706.96	\$ 4,942.30	\$ 5,189.42	\$ 5,448.89	\$ 5,721.34	\$ 6,007.40	\$ 6,307.77
Assistant Planner	Prof/Admin	\$ 4,482.81	\$ 4,706.95	\$ 4,942.30	\$ 5,189.42	\$ 5,448.89	\$ 5,721.33	\$ 6,007.40
Associate Civil Engineer	Prof/Admin	\$ 6,007.40	\$ 6,307.77	\$ 6,623.16	\$ 6,954.32	\$ 7,302.03	\$ 7,667.13	\$ 8,050.49
Associate Planner	Prof/Admin	\$ 5,448.90	\$ 5,721.34	\$ 6,007.41	\$ 6,307.78	\$ 6,623.17	\$ 6,954.32	\$ 7,302.04
Building Inspector I	Prof/Admin	\$ 4,269.35	\$ 4,482.81	\$ 4,706.96	\$ 4,942.30	\$ 5,189.42	\$ 5,448.89	\$ 5,721.33
Building Inspector II	Prof/Admin	\$ 4,706.96	\$ 4,942.30	\$ 5,189.42	\$ 5,448.89	\$ 5,721.34	\$ 6,007.40	\$ 6,307.77
Building Inspector III	Prof/Admin	\$ 4,942.30	\$ 5,189.42	\$ 5,448.89	\$ 5,721.33	\$ 6,007.40	\$ 6,307.77	\$ 6,623.16
Code Enforcement Officer I	Prof/Admin	\$ 3,872.43	\$ 4,066.05	\$ 4,269.35	\$ 4,482.82	\$ 4,706.96	\$ 4,942.31	\$ 5,189.42
Code Enforcement Officer II	Prof/Admin	\$ 4,269.35	\$ 4,482.81	\$ 4,706.96	\$ 4,942.30	\$ 5,189.42	\$ 5,448.89	\$ 5,721.33
Confidential Secretary	Prof/Admin	\$ 3,512.40	\$ 3,688.02	\$ 3,872.43	\$ 4,066.05	\$ 4,269.35	\$ 4,482.82	\$ 4,706.96
Construction Inspector I	Prof/Admin	\$ 4,269.35	\$ 4,482.81	\$ 4,706.96	\$ 4,942.30	\$ 5,189.42	\$ 5,448.89	\$ 5,721.33
Construction Inspector II	Prof/Admin	\$ 4,706.96	\$ 4,942.30	\$ 5,189.42	\$ 5,448.89	\$ 5,721.34	\$ 6,007.40	\$ 6,307.77
Customer Service Representative	Prof/Admin	\$ 3,345.15	\$ 3,512.41	\$ 3,688.03	\$ 3,872.43	\$ 4,066.05	\$ 4,269.35	\$ 4,482.82
Customer Service Supervisor	Prof/Admin	\$ 4,066.05	\$ 4,269.36	\$ 4,482.82	\$ 4,706.96	\$ 4,942.31	\$ 5,189.43	\$ 5,448.90
Engineer Technician I	Prof/Admin	\$ 3,829.88	\$ 4,021.37	\$ 4,222.44	\$ 4,433.56	\$ 4,655.24	\$ 4,888.01	\$ 5,132.41
Engineer Technician II	Prof/Admin	\$ 4,269.35	\$ 4,482.81	\$ 4,706.96	\$ 4,942.30	\$ 5,189.42	\$ 5,448.89	\$ 5,721.33
Engineer Technician III	Prof/Admin	\$ 4,706.96	\$ 4,942.30	\$ 5,189.42	\$ 5,448.89	\$ 5,721.34	\$ 6,007.40	\$ 6,307.77
GIS Analyst I	Prof/Admin	\$ 4,980.00	\$ 5,229.00	\$ 5,490.45	\$ 5,764.97	\$ 6,053.22	\$ 6,355.88	\$ 6,673.68
GIS Analyst II	Prof/Admin	\$ 6,067.50	\$ 6,370.88	\$ 6,689.42	\$ 7,023.89	\$ 7,375.08	\$ 7,743.84	\$ 8,131.03
Grant Coordinator	Prof/Admin	\$ 4,448.85	\$ 4,671.29	\$ 4,904.86	\$ 5,150.10	\$ 5,407.60	\$ 5,677.98	\$ 5,961.88
Housing & Special Projects Coordinator	Prof/Admin	\$ 3,688.03	\$ 3,872.43	\$ 4,066.05	\$ 4,269.35	\$ 4,482.82	\$ 4,706.96	\$ 4,942.31
Housing & Special Projects Coordinator (GFE)	Prof/Admin	\$ 3,872.43	\$ 4,066.05	\$ 4,269.35	\$ 4,482.82	\$ 4,706.96	\$ 4,942.31	\$ 5,189.42
Information Systems Technician I	Prof/Admin	\$ 3,689.42	\$ 3,873.89	\$ 4,067.58	\$ 4,270.96	\$ 4,484.51	\$ 4,708.74	\$ 4,944.17
Information Systems Technician II	Prof/Admin	\$ 4,058.38	\$ 4,261.30	\$ 4,474.37	\$ 4,698.08	\$ 4,932.99	\$ 5,179.64	\$ 5,438.62
Librarian I	Prof/Admin	\$ 3,688.03	\$ 3,872.43	\$ 4,066.05	\$ 4,269.35	\$ 4,482.82	\$ 4,706.96	\$ 4,942.31
Librarian II	Prof/Admin	\$ 4,066.05	\$ 4,269.36	\$ 4,482.82	\$ 4,706.96	\$ 4,942.31	\$ 5,189.43	\$ 5,448.90
Library Assistant	Prof/Admin	\$ 3,101.07	\$ 3,256.12	\$ 3,418.93	\$ 3,589.87	\$ 3,769.37	\$ 3,957.83	\$ 4,155.73
Library Clerk	Prof/Admin	\$ 2,621.01	\$ 2,752.06	\$ 2,889.66	\$ 3,034.14	\$ 3,185.85	\$ 3,345.14	\$ 3,512.40

Job Title	Barg Unit	Monthly						
		Step A	Step B	Step C	Step D	Step E	Step F	Step G
Library Coordinator	Prof/Admin	\$ 3,798.93	\$ 3,988.87	\$ 4,188.32	\$ 4,397.73	\$ 4,617.62	\$ 4,848.50	\$ 5,090.92
Office Assistant I	Prof/Admin	\$ 2,621.01	\$ 2,752.06	\$ 2,889.66	\$ 3,034.14	\$ 3,185.85	\$ 3,345.14	\$ 3,512.40
Office Assistant II	Prof/Admin	\$ 2,889.67	\$ 3,034.15	\$ 3,185.86	\$ 3,345.15	\$ 3,512.41	\$ 3,688.03	\$ 3,872.43
Office Supervisor	Prof/Admin	\$ 3,463.32	\$ 3,636.48	\$ 3,818.31	\$ 4,009.22	\$ 4,209.68	\$ 4,420.17	\$ 4,641.18
Office Supervisor (GFE)	Prof/Admin	\$ 4,009.22	\$ 4,209.68	\$ 4,420.17	\$ 4,641.18	\$ 4,873.23	\$ 5,116.90	\$ 5,372.74
Planning Technician	Prof/Admin	\$ 3,512.40	\$ 3,688.02	\$ 3,872.43	\$ 4,066.05	\$ 4,269.35	\$ 4,482.82	\$ 4,706.96
Public Services Supervisor	Prof/Admin	\$ 4,942.30	\$ 5,189.42	\$ 5,448.89	\$ 5,721.33	\$ 6,007.40	\$ 6,307.77	\$ 6,623.16
Purchasing Clerk I	Prof/Admin	\$ 2,915.13	\$ 3,060.89	\$ 3,213.94	\$ 3,374.63	\$ 3,543.36	\$ 3,720.53	\$ 3,906.56
Purchasing Clerk II	Prof/Admin	\$ 3,213.93	\$ 3,374.63	\$ 3,543.36	\$ 3,720.53	\$ 3,906.55	\$ 4,101.88	\$ 4,306.98
Purchasing Officer I	Prof/Admin	\$ 3,720.52	\$ 3,906.55	\$ 4,101.88	\$ 4,306.97	\$ 4,522.32	\$ 4,748.44	\$ 4,985.86
Purchasing Officer II	Prof/Admin	\$ 4,101.89	\$ 4,306.98	\$ 4,522.33	\$ 4,748.44	\$ 4,985.87	\$ 5,235.16	\$ 5,496.92
Recreation Coordinator	Prof/Admin	\$ 3,127.18	\$ 3,283.53	\$ 3,447.71	\$ 3,620.10	\$ 3,801.10	\$ 3,991.16	\$ 4,190.71
Recreation Supervisor	Prof/Admin	\$ 3,787.15	\$ 3,976.51	\$ 4,175.33	\$ 4,384.10	\$ 4,603.30	\$ 4,833.47	\$ 5,075.14
Senior Account Clerk	Prof/Admin	\$ 3,512.40	\$ 3,688.02	\$ 3,872.43	\$ 4,066.05	\$ 4,269.35	\$ 4,482.82	\$ 4,706.96
Senior Account Clerk (GFE)	Prof/Admin	\$ 3,688.02	\$ 3,872.43	\$ 4,066.05	\$ 4,269.35	\$ 4,482.82	\$ 4,706.96	\$ 4,942.31
Senior Accountant	Prof/Admin	\$ 4,942.30	\$ 5,189.42	\$ 5,448.89	\$ 5,721.33	\$ 6,007.40	\$ 6,307.77	\$ 6,623.16
Senior Administrative Analyst (GFE)	Prof/Admin	\$ 6,147.93	\$ 6,455.33	\$ 6,778.09	\$ 7,117.00	\$ 7,472.85	\$ 7,846.49	\$ 8,238.81
Senior Civil Engineer	Prof/Admin	\$ 7,031.65	\$ 7,383.24	\$ 7,752.40	\$ 8,140.02	\$ 8,547.02	\$ 8,974.37	\$ 9,423.09
Senior Information Systems Technician	Prof/Admin	\$ 4,464.21	\$ 4,687.42	\$ 4,921.79	\$ 5,167.88	\$ 5,426.28	\$ 5,697.59	\$ 5,982.47
Senior Office Assistant	Prof/Admin	\$ 3,185.86	\$ 3,345.15	\$ 3,512.41	\$ 3,688.03	\$ 3,872.43	\$ 4,066.05	\$ 4,269.35
Senior Office Assistant (GFE)	Prof/Admin	\$ 3,345.15	\$ 3,512.41	\$ 3,688.03	\$ 3,872.43	\$ 4,066.05	\$ 4,269.35	\$ 4,482.82
Senior Planner	Prof/Admin	\$ 6,007.40	\$ 6,307.77	\$ 6,623.16	\$ 6,954.32	\$ 7,302.03	\$ 7,667.13	\$ 8,050.49
Supervising Building Inspector	Prof/Admin	\$ 5,448.90	\$ 5,721.34	\$ 6,007.41	\$ 6,307.78	\$ 6,623.17	\$ 6,954.32	\$ 7,302.04
Supervising Water Facilities Operator	Prof/Admin	\$ 5,535.10	\$ 5,811.85	\$ 6,102.45	\$ 6,407.57	\$ 6,727.95	\$ 7,064.34	\$ 7,417.56
Transit Supervisor	Prof/Admin	\$ 3,512.40	\$ 3,688.02	\$ 3,872.43	\$ 4,066.05	\$ 4,269.35	\$ 4,482.82	\$ 4,706.96
Utilities Maintenance Supervisor	Prof/Admin	\$ 5,866.60	\$ 6,159.93	\$ 6,467.93	\$ 6,791.32	\$ 7,130.89	\$ 7,487.44	\$ 7,861.81

City of Lincoln Salary Schedule

Seasonal Group (strictly seasonal, not a bargaining unit)

Job Title	Barg Unit	Monthly						
		Step A	Step B	Step C	Step D	Step E	Step F	Step G
College Intern (no more than 999 hrs)	N/A	\$ 1,820.00	\$ 1,911.00	\$ 2,006.55	\$ 2,106.88	\$ 2,212.22	\$ 2,322.83	\$ 2,438.97
Recreation Aide I (no more than 999 hrs/fiscal yr)	N/A	\$ 1,820.00	\$ 1,911.00	\$ 2,006.55	\$ 2,106.88	\$ 2,212.22	\$ 2,322.83	\$ 2,438.97
Recreation Aide II (no more than 999 hrs/fiscal yr)	N/A	\$ 1,911.00	\$ 2,006.55	\$ 2,106.88	\$ 2,212.22	\$ 2,322.83	\$ 2,438.97	\$ 2,560.92
Senior Recreation Aide (no more than 999 hrs/fiscal yr)	N/A	\$ 2,106.88	\$ 2,212.22	\$ 2,322.84	\$ 2,438.98	\$ 2,560.93	\$ 2,688.97	\$ 2,823.42

City of Lincoln Salary Schedule

Lincoln Police Officers' Association (LPOA) Bargaining Unit

GFE = Grandfathered Employees (only employees hired prior to 7/1/12 and had education pay)

Job Title	Barg Unit	Monthly						
		Step A	Step B	Step C	Step D	Step E	Step F	Step G
Animal Control Officer I	POA	\$ 3,676.22	\$ 3,860.03	\$ 4,053.03	\$ 4,255.69	\$ 4,468.47	\$ 4,691.89	\$ 4,926.49
Animal Control Officer II	POA	\$ 4,053.03	\$ 4,255.68	\$ 4,468.47	\$ 4,691.89	\$ 4,926.49	\$ 5,172.81	\$ 5,431.45
Community Service Officer	POA	\$ 3,415.77	\$ 3,586.55	\$ 3,765.88	\$ 3,954.18	\$ 4,151.88	\$ 4,359.48	\$ 4,577.45
Police Background Investigator	POA	\$ 4,691.89	\$ 4,926.49	\$ 5,172.81	\$ 5,431.45	\$ 5,703.03	\$ 5,988.18	\$ 6,287.59
Police Officer (2080 Schedule)	POA	\$ 4,737.04	\$ 4,973.89	\$ 5,222.59	\$ 5,483.72	\$ 5,757.90	\$ 6,045.80	\$ 6,348.09
Police Officer (2184 schedule)	POA	\$ 4,973.89	\$ 5,222.59	\$ 5,483.72	\$ 5,757.90	\$ 6,045.80	\$ 6,348.09	\$ 6,665.49
Police Officer (GFE) (2080 Schedule)	POA	\$ 5,757.90	\$ 6,045.80	\$ 6,348.09	\$ 6,665.49	\$ 6,998.77	\$ 7,348.71	\$ 7,716.14
Police Officer (GFE) (2184 schedule)	POA	\$ 6,045.80	\$ 6,348.09	\$ 6,665.49	\$ 6,998.77	\$ 7,348.71	\$ 7,716.14	\$ 8,101.95
Police Officer Trainee	POA	\$ 4,296.63	\$ 4,511.46	\$ 4,737.04	\$ 4,973.89	\$ 5,222.58	\$ 5,483.71	\$ 5,757.90
Public Safety Dispatcher I	POA	\$ 3,860.03	\$ 4,053.03	\$ 4,255.68	\$ 4,468.46	\$ 4,691.89	\$ 4,926.48	\$ 5,172.81
Public Safety Dispatcher II	POA	\$ 4,255.68	\$ 4,468.46	\$ 4,691.89	\$ 4,926.48	\$ 5,172.81	\$ 5,431.45	\$ 5,703.02
Public Safety Dispatcher II (GFE)	POA	\$ 5,172.81	\$ 5,431.45	\$ 5,703.02	\$ 5,988.17	\$ 6,287.58	\$ 6,601.96	\$ 6,932.05
Public Safety Dispatcher Trainee	POA	\$ 3,501.16	\$ 3,676.22	\$ 3,860.03	\$ 4,053.03	\$ 4,255.68	\$ 4,468.46	\$ 4,691.89
Senior Public Safety Dispatcher	POA	\$ 4,468.47	\$ 4,691.89	\$ 4,926.49	\$ 5,172.81	\$ 5,431.45	\$ 5,703.03	\$ 5,988.18
Senior Public Safety Dispatcher (GFE)	POA	\$ 5,172.81	\$ 5,431.45	\$ 5,703.03	\$ 5,988.18	\$ 6,287.59	\$ 6,601.97	\$ 6,932.07

City of Lincoln Salary Schedule

Police/Fire Mid-Management / Supervisory Bargaining Unit

Attachment E

GFE = Grandfathered Employees (only employees hired prior to 7/1/12 and had education pay)

Job Title	Barg Unit	Monthly						
		Step A	Step B	Step C	Step D	Step E	Step F	Step G
Confidential Secretary (for PD)	P/F Mid-Mgmt.	\$ 3,501.16	\$ 3,676.22	\$ 3,860.03	\$ 4,053.03	\$ 4,255.68	\$ 4,468.46	\$ 4,691.89
Confidential Secretary (for PD) (GFE)	P/F Mid-Mgmt.	\$ 3,860.03	\$ 4,053.03	\$ 4,255.68	\$ 4,468.46	\$ 4,691.89	\$ 4,926.48	\$ 5,172.81
Fire Battalion Chief	P/F Mid-Mgmt.	\$ 7,911.17	\$ 8,306.73	\$ 8,722.06	\$ 9,158.16	\$ 9,616.07	\$ 10,096.88	\$ 10,601.72
Fire Battalion Chief (GFE)	P/F Mid-Mgmt.	\$ 10,096.88	\$ 10,601.72	\$ 11,131.81	\$ 11,688.40	\$ 12,272.82	\$ 12,886.46	\$ 13,530.78
Police Lieutenant	P/F Mid-Mgmt.	\$ 7,911.17	\$ 8,306.73	\$ 8,722.06	\$ 9,158.16	\$ 9,616.07	\$ 10,096.88	\$ 10,601.72
Police Office Supervisor	P/F Mid-Mgmt.	\$ 5,703.02	\$ 5,988.17	\$ 6,287.58	\$ 6,601.96	\$ 6,932.06	\$ 7,278.66	\$ 7,642.59
Police Records Coordinator	P/F Mid-Mgmt.	\$ 4,151.88	\$ 4,359.48	\$ 4,577.45	\$ 4,806.32	\$ 5,046.64	\$ 5,298.97	\$ 5,563.92
Police Sergeant (2080 Schedule)	P/F Mid-Mgmt.	\$ 5,757.90	\$ 6,045.79	\$ 6,348.08	\$ 6,665.49	\$ 6,998.76	\$ 7,348.70	\$ 7,716.13
Police Sergeant (2184 Schedule)	P/F Mid-Mgmt.	\$ 6,045.79	\$ 6,348.08	\$ 6,665.49	\$ 6,998.76	\$ 7,348.70	\$ 7,716.14	\$ 8,101.94
Police Sergeant (GFE) (2080 Schedule)	P/F Mid-Mgmt.	\$ 7,348.70	\$ 7,716.13	\$ 8,101.94	\$ 8,507.04	\$ 8,932.39	\$ 9,379.01	\$ 9,847.96
Police Sergeant (GFE) (2184 Schedule)	P/F Mid-Mgmt.	\$ 7,716.14	\$ 8,101.94	\$ 8,507.04	\$ 8,932.39	\$ 9,379.01	\$ 9,847.96	\$ 10,340.36

City of Lincoln Salary Schedule

Mid-Management / Confidential Bargaining Unit

GFE = Grandfathered Employees (only employees hired prior to 7/1/12 and had education pay)

Job Title	Barg Unit	Monthly						
		Step A	Step B	Step C	Step D	Step E	Step F	Step G
Accounting Manager	Mid-Mgmt/Conf.	\$ 7,062.25	\$ 7,415.36	\$ 7,786.13	\$ 8,175.44	\$ 8,584.21	\$ 9,013.42	\$ 9,464.09
Administrative Analyst I/PIO	Mid-Mgmt/Conf.	\$ 4,447.13	\$ 4,669.49	\$ 4,902.96	\$ 5,148.11	\$ 5,405.52	\$ 5,675.79	\$ 5,959.58
Administrative Analyst II/PIO	Mid-Mgmt/Conf.	\$ 4,941.25	\$ 5,188.31	\$ 5,447.73	\$ 5,720.11	\$ 6,006.12	\$ 6,306.43	\$ 6,621.75
Airport Manager	Mid-Mgmt/Conf.	\$ 7,649.62	\$ 8,032.10	\$ 8,433.71	\$ 8,855.39	\$ 9,298.16	\$ 9,763.07	\$ 10,251.23
Assistant Director of Development Services	Mid-Mgmt/Conf.	\$ 8,119.87	\$ 8,525.86	\$ 8,952.16	\$ 9,399.77	\$ 9,869.75	\$ 10,363.24	\$ 10,881.40
Assistant Director of Support Services	Mid-Mgmt/Conf.	\$ 8,119.87	\$ 8,525.86	\$ 8,952.16	\$ 9,399.77	\$ 9,869.75	\$ 10,363.24	\$ 10,881.40
Assistant Director of Recreation	Mid-Mgmt/Conf.	\$ 7,302.04	\$ 7,667.14	\$ 8,050.50	\$ 8,453.02	\$ 8,875.68	\$ 9,319.46	\$ 9,785.43
Building Official (prev. Chief Building Inspector)	Mid-Mgmt/Conf.	\$ 8,032.10	\$ 8,433.71	\$ 8,855.39	\$ 9,298.16	\$ 9,763.07	\$ 10,251.23	\$ 10,763.79
City Clerk	Mid-Mgmt/Conf.	\$ 6,032.19	\$ 6,333.80	\$ 6,650.49	\$ 6,983.02	\$ 7,332.17	\$ 7,698.78	\$ 8,083.72
City Clerk (GFE)	Mid-Mgmt/Conf.	\$ 6,333.80	\$ 6,650.49	\$ 6,983.02	\$ 7,332.17	\$ 7,698.78	\$ 8,083.72	\$ 8,487.90
City Engineer	Mid-Mgmt/Conf.	\$ 8,525.86	\$ 8,952.16	\$ 9,399.77	\$ 9,869.75	\$ 10,363.24	\$ 10,881.40	\$ 11,425.47
Confidential Secretary (for CM)	Mid-Mgmt/Conf.	\$ 3,512.40	\$ 3,688.02	\$ 3,872.43	\$ 4,066.05	\$ 4,269.35	\$ 4,482.82	\$ 4,706.96
Construction Manager	Mid-Mgmt/Conf.	\$ 7,302.04	\$ 7,667.14	\$ 8,050.50	\$ 8,453.02	\$ 8,875.68	\$ 9,319.46	\$ 9,785.43
Division Manager (PS or DS)	Mid-Mgmt/Conf.	\$ 8,119.87	\$ 8,525.86	\$ 8,952.16	\$ 9,399.77	\$ 9,869.75	\$ 10,363.24	\$ 10,881.40
Economic Development Manager	Mid-Mgmt/Conf.	\$ 6,834.42	\$ 7,176.14	\$ 7,534.95	\$ 7,911.70	\$ 8,307.28	\$ 8,722.65	\$ 9,158.78
Economic Development Specialist	Mid-Mgmt/Conf.	\$ 6,007.41	\$ 6,307.78	\$ 6,623.17	\$ 6,954.33	\$ 7,302.05	\$ 7,667.15	\$ 8,050.50
Environmental Services Manager	Mid-Mgmt/Conf.	\$ 7,649.62	\$ 8,032.10	\$ 8,433.71	\$ 8,855.39	\$ 9,298.16	\$ 9,763.07	\$ 10,251.23
Financial Analyst	Mid-Mgmt/Conf.	\$ 8,119.87	\$ 8,525.86	\$ 8,952.16	\$ 9,399.77	\$ 9,869.75	\$ 10,363.24	\$ 10,881.40
Human Resources Analyst I	Mid-Mgmt/Conf.	\$ 4,538.42	\$ 4,765.34	\$ 5,003.61	\$ 5,253.79	\$ 5,516.48	\$ 5,792.30	\$ 6,081.92
Human Resources Analyst II	Mid-Mgmt/Conf.	\$ 5,000.34	\$ 5,250.36	\$ 5,512.88	\$ 5,788.52	\$ 6,077.95	\$ 6,381.85	\$ 6,700.94
Human Resources Analyst II (GFE)	Mid-Mgmt/Conf.	\$ 5,512.88	\$ 5,788.52	\$ 6,077.95	\$ 6,381.85	\$ 6,700.94	\$ 7,035.99	\$ 7,387.79
Human Resources Technician I	Mid-Mgmt/Conf.	\$ 3,345.15	\$ 3,512.41	\$ 3,688.03	\$ 3,872.43	\$ 4,066.05	\$ 4,269.35	\$ 4,482.82
Human Resources Technician II	Mid-Mgmt/Conf.	\$ 3,688.03	\$ 3,872.43	\$ 4,066.05	\$ 4,269.35	\$ 4,482.82	\$ 4,706.96	\$ 4,942.31
Information Systems Manager	Mid-Mgmt/Conf.	\$ 7,302.04	\$ 7,667.14	\$ 8,050.50	\$ 8,453.02	\$ 8,875.68	\$ 9,319.46	\$ 9,785.43
Library Media Teacher	Mid-Mgmt/Conf.	\$ 6,623.16	\$ 6,954.32	\$ 7,302.04	\$ 7,667.14	\$ 8,050.50	\$ 8,453.02	\$ 8,875.67
Maintenance Services Manager	Mid-Mgmt/Conf.	\$ 7,649.62	\$ 8,032.10	\$ 8,433.71	\$ 8,855.39	\$ 9,298.16	\$ 9,763.07	\$ 10,251.23
Payroll Technician	Mid-Mgmt/Conf.	\$ 4,561.01	\$ 4,789.06	\$ 5,028.51	\$ 5,279.94	\$ 5,543.93	\$ 5,821.13	\$ 6,112.19
Principal Accountant	Mid-Mgmt/Conf.	\$ 7,062.25	\$ 7,415.36	\$ 7,786.13	\$ 8,175.44	\$ 8,584.21	\$ 9,013.42	\$ 9,464.09
Purchasing Manager	Mid-Mgmt/Conf.	\$ 5,448.90	\$ 5,721.34	\$ 6,007.41	\$ 6,307.78	\$ 6,623.17	\$ 6,954.32	\$ 7,302.04
Records Coordinator	Mid-Mgmt/Conf.	\$ 3,512.40	\$ 3,688.02	\$ 3,872.43	\$ 4,066.05	\$ 4,269.35	\$ 4,482.82	\$ 4,706.96
Recreation Program Manager	Mid-Mgmt/Conf.	\$ 5,157.41	\$ 5,415.28	\$ 5,686.04	\$ 5,970.35	\$ 6,268.86	\$ 6,582.31	\$ 6,911.42
Senior Administrative Analyst (Confidential) (GFE)	Mid-Mgmt/Conf.	\$ 6,264.21	\$ 6,577.42	\$ 6,906.29	\$ 7,251.60	\$ 7,614.18	\$ 7,994.89	\$ 8,394.63
Senior Human Resources Technician	Mid-Mgmt/Conf.	\$ 4,066.05	\$ 4,269.36	\$ 4,482.82	\$ 4,706.96	\$ 4,942.31	\$ 5,189.43	\$ 5,448.90

City of Lincoln Salary Schedule

Classified (Local 39) Bargaining Unit

GFE = Grandfathered Employees (only employees hired prior to 7/1/12 and had education pay)

Job Title	Barg Unit	Monthly						
		Step A	Step B	Step C	Step D	Step E	Step F	Step G
Airport Maintenance Worker I	Classified	\$ 2,943.84	\$ 3,091.03	\$ 3,245.59	\$ 3,407.86	\$ 3,578.26	\$ 3,757.17	\$ 3,945.03
Airport Maintenance Worker II	Classified	\$ 3,242.53	\$ 3,404.66	\$ 3,574.89	\$ 3,753.63	\$ 3,941.32	\$ 4,138.38	\$ 4,345.30
Equipment Mechanic I	Classified	\$ 3,748.95	\$ 3,936.40	\$ 4,133.22	\$ 4,339.88	\$ 4,556.87	\$ 4,784.72	\$ 5,023.95
Equipment Mechanic II	Classified	\$ 4,130.16	\$ 4,336.67	\$ 4,553.50	\$ 4,781.18	\$ 5,020.24	\$ 5,271.25	\$ 5,534.81
Maintenance Worker I	Classified	\$ 2,943.84	\$ 3,091.03	\$ 3,245.59	\$ 3,407.86	\$ 3,578.26	\$ 3,757.17	\$ 3,945.03
Maintenance Worker II	Classified	\$ 3,242.53	\$ 3,404.66	\$ 3,574.89	\$ 3,753.63	\$ 3,941.32	\$ 4,138.38	\$ 4,345.30
Mechanic Helper	Classified	\$ 2,739.01	\$ 2,875.96	\$ 3,019.76	\$ 3,170.74	\$ 3,329.28	\$ 3,495.75	\$ 3,670.53
Meter Reader	Classified	\$ 2,943.84	\$ 3,091.03	\$ 3,245.59	\$ 3,407.86	\$ 3,578.26	\$ 3,757.17	\$ 3,945.03
Senior Airport Maintenance Worker	Classified	\$ 4,152.77	\$ 4,360.41	\$ 4,578.43	\$ 4,807.35	\$ 5,047.72	\$ 5,300.11	\$ 5,565.11
Senior Equipment Mechanic	Classified	\$ 4,550.46	\$ 4,777.98	\$ 5,016.88	\$ 5,267.72	\$ 5,531.11	\$ 5,807.66	\$ 6,098.05
Senior Equipment Mechanic (GFE)	Classified	\$ 5,263.04	\$ 5,526.19	\$ 5,802.50	\$ 6,092.62	\$ 6,397.25	\$ 6,717.12	\$ 7,052.97
Senior Maintenance Worker	Classified	\$ 3,748.95	\$ 3,936.40	\$ 4,133.22	\$ 4,339.88	\$ 4,556.87	\$ 4,784.72	\$ 5,023.95
Senior Transit Driver	Classified	\$ 3,242.53	\$ 3,404.66	\$ 3,574.89	\$ 3,753.63	\$ 3,941.32	\$ 4,138.38	\$ 4,345.30
Senior Water Technician	Classified	\$ 4,335.19	\$ 4,551.95	\$ 4,779.55	\$ 5,018.52	\$ 5,269.45	\$ 5,532.92	\$ 5,809.57
Transit Operator	Classified	\$ 3,091.35	\$ 3,245.92	\$ 3,408.21	\$ 3,578.62	\$ 3,757.55	\$ 3,945.43	\$ 4,142.70
Wastewater Mechanical Maintenance Tech I	Classified	\$ 3,571.85	\$ 3,750.44	\$ 3,937.96	\$ 4,134.86	\$ 4,341.60	\$ 4,558.68	\$ 4,786.61
Wastewater Mechanical Maintenance Tech II	Classified	\$ 3,934.91	\$ 4,131.65	\$ 4,338.23	\$ 4,555.15	\$ 4,782.90	\$ 5,022.05	\$ 5,273.15
Wastewater Plant Operator I	Classified	\$ 3,403.17	\$ 3,573.33	\$ 3,752.00	\$ 3,939.60	\$ 4,136.58	\$ 4,343.41	\$ 4,560.58
Wastewater Plant Operator II	Classified	\$ 3,748.95	\$ 3,936.40	\$ 4,133.22	\$ 4,339.88	\$ 4,556.87	\$ 4,784.72	\$ 5,023.95
Wastewater System Technician I	Classified	\$ 3,571.85	\$ 3,750.44	\$ 3,937.96	\$ 4,134.86	\$ 4,341.60	\$ 4,558.68	\$ 4,786.61
Wastewater System Technician II	Classified	\$ 3,934.91	\$ 4,131.65	\$ 4,338.23	\$ 4,555.15	\$ 4,782.90	\$ 5,022.05	\$ 5,273.15
Wastewater Treatment Plant Lab Analyst	Classified	\$ 4,130.16	\$ 4,336.67	\$ 4,553.50	\$ 4,781.18	\$ 5,020.24	\$ 5,271.25	\$ 5,534.81
Water Technician I	Classified	\$ 3,571.85	\$ 3,750.44	\$ 3,937.96	\$ 4,134.86	\$ 4,341.60	\$ 4,558.68	\$ 4,786.61
Water Technician II	Classified	\$ 3,934.91	\$ 4,131.65	\$ 4,338.23	\$ 4,555.15	\$ 4,782.90	\$ 5,022.05	\$ 5,273.15

City of Lincoln Salary Schedule

Lincoln Professional Firefighter Association (LPFA) Bargaining Unit

GFE = Grandfathered Employees (only employees hired prior to 7/1/12 and had education pay)

Job Title	Barg Unit	Monthly						
		Step A	Step B	Step C	Step D	Step E	Step F	Step G
Fire Captain	PFSO (Fire)	\$ 5,658.13	\$ 5,941.04	\$ 6,238.09	\$ 6,549.99	\$ 6,877.49	\$ 7,221.37	\$ 7,582.44
Fire Captain (GFE)	PFSO (Fire)	\$ 6,877.49	\$ 7,221.37	\$ 7,582.44	\$ 7,961.56	\$ 8,359.64	\$ 8,777.62	\$ 9,216.50
Firefighter	PFSO (Fire)	\$ 4,480.22	\$ 4,704.23	\$ 4,939.44	\$ 5,186.41	\$ 5,445.73	\$ 5,718.02	\$ 6,003.92
Firefighter (GFE)	PFSO (Fire)	\$ 5,445.73	\$ 5,718.02	\$ 6,003.92	\$ 6,304.12	\$ 6,619.32	\$ 6,950.29	\$ 7,297.81



12B

CITY COUNCIL REPORT

SUBJECT: Resolution Modifying CalPERS Health Contract for Department Heads, City Manager, and City Council – Designating Kaiser HMO as Lowest Cost Healthcare Plan

SUBMITTED BY: Astrida Trupovnieks, HRSI Manager

DEPARTMENT: City Manager's Department

DATE: December 13, 2016

STRATEGIC RELEVANCE: N/A – Necessary Administrative Action

RECOMMENDATION:

City staff recommends the City Council adopt the resolution to modify the current CalPERS Healthcare Contract for three distinct groups: Department Heads, City Manager, and City Council. The resolution amends the healthcare contract with PERS to reflect the City's payment of its share of the premium tied to the lowest cost HMO healthcare plan available for CY 2017 to Kaiser HMO.

BACKGROUND:

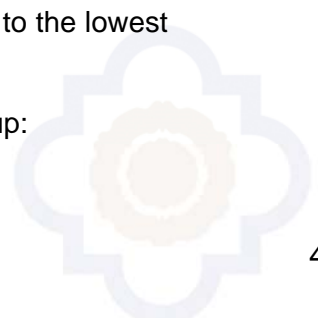
CalPERS requires notification of adjustments to healthcare coverage for Department Heads, and the City Manager who are employed under the terms and conditions of employment contracts.

CalPERS also requires notification of adjustments to healthcare coverage for City Council.

Consequently, the attached resolution designates the lowest cost healthcare HMO plan as Kaiser. The lowest cost healthcare HMO previously was Blue Shield Net Value. The City pays 80 percent of the premium for Department Heads, and City Council, and 75 percent of the premium for the City Manager. These percentages are the same as in recent years. The cost of the health insurance premium for the Kaiser HMO is not increasing.

Other employee groups (bargaining groups) are not mentioned here because each bargaining agreement already states the City's share of the premium is tied to the lowest cost HMO healthcare plan, Kaiser HMO.

For your information, please find below the percent paid by the City per group:





- 1) Employees Represented by Bargaining Groups- 80 percent of the Kaiser premium rate for the tier of coverage selected (employee, employee plus one, or employee plus family)
- 2) Department Heads- 80 percent of the Kaiser premium rate (employee, employee plus one, or employee plus family)
- 3) City Council- 80 percent of the Kaiser premium rate for employee plus one to use towards their cafeteria plan costs per month
- 4) City Manager- 75 percent of the Kaiser premium rate (employee plus family)

The attached resolution text and format has been provided by CalPERS.

ALTERNATIVE: None is recommended.

FISCAL IMPACT: None

CITY MANAGER REVIEW OF CONTENT: MB

APPROVED AS TO LEGAL FORM: LZW

ATTACHMENTS:

Resolution



RESOLUTION NO. 2016 - 244

FIXING THE EMPLOYER CONTRIBUTION AT AN EQUAL AMOUNT FOR EMPLOYEES AND ANNUITANTS UNDER THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT

WHEREAS, (1) City of Lincoln is a contracting agency under Government Code Section 22920 and subject to the Public Employees' Medical and Hospital Care Act (the "Act"); and

WHEREAS, (2) Government Code Section 22892(a) provides that a contracting agency subject to Act shall fix the amount of the employer contribution by resolution; and

WHEREAS, (3) Government Code Section 22892(b) provides that the employer contribution shall be an equal amount for both employees and annuitants, but may not be less than the amount prescribed by Section 22892(b) of the Act; and

RESOLVED, (a) That the employer contribution for each employee or annuitant shall be the amount necessary to pay the full cost of his/her enrollment, including the enrollment of family members, in a health benefits plan up to a maximum of:

Medical Group	Monthly Employer Contribution
001 Classified Employees	No Change
002 Professional & Administrative	No Change
003 Police Officer's Association	No Change
004 Unrepresented Employees	No Change
005 Department Heads	80% Kaiser Sacramento Region Basic (no matter the number of dependents)
006 City Manager	75% Kaiser Sacramento Region Basic Family (party rate 3)
007 City Council	80% Kaiser Sacramento Region Basic Family (party rate 2)
008 Police & Fire Mid-Management / Supervisory Group	No Change
009 Lincoln Professional Firefighters Association	No Change

Plus administrative fees and Contingency Reserve Fund assessments; and be it further

RESOLVED, (b) City of Lincoln has fully complied with any and all applicable provisions of Government Code Section 7507 in electing the benefits set forth above; and be it further

RESOLVED, (c) That the participation of the employees and annuitants of City of Lincoln shall be subject to determination of its status as an "agency or instrumentality of the state or political subdivision of a State" that is eligible to participate in a governmental plan within the meaning of Section 414(d) of

the Internal Revenue Code, upon publication of final Regulations pursuant to such Section. If it is determined that City of Lincoln would not qualify as an agency or instrumentality of the state or political subdivision of a State under such final Regulations, CalPERS may be obligated, and reserves the right to terminate the health coverage of all participants of the employer.

RESOLVED, (d) That the executive body appoint and direct, and it does hereby appoint and direct Astrida Trupovnieks, City of Lincoln, HRSI Manager, to file with the Board a verified copy of this resolution, and to perform on behalf of City of Lincoln all functions required of it under the Act.

PASSED AND ADOPTED this 13th day of December, 2016.

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

ATTEST:

Peter Gilbert, Mayor

Gwen Scanlon, City Clerk



12C

CITY COUNCIL REPORT

SUBJECT: Notice of Completion for the Mid-Western Placer Regional Sewer Project - Regional and Reclamation Pipelines

SUBMITTED BY: Ray Leftwich, P.E., City Engineer

DEPARTMENT: Engineering Department

DATE: December 13, 2016

STRATEGIC RELEVANCE: Infrastructure

STAFF RECOMMENDATIONS:

Adopt a Resolution accepting the scope of work performed by Steven P. Rados, Inc. (Rados) for the Mid-Western Placer Regional Sewer Project – Regional and Reclamation Pipelines (Project) as complete and authorizing the City Clerk to file a Notice of Completion with the Placer County Recorder (See Attachment A).

BACKGROUND/INTRODUCTION:

The Scope of Work for the Project consisted of 13.4 miles of forced sewer main pipeline, 2.5 miles of water reclamation pipeline, (4) pigging stations, Sewage Combination Air Valve appurtenances, isolation valves, energy dissipation structure and bio filter. The scope also included the completion of the decommissioning and demolition of the existing SMD-1 WWTP Facility, construction of (2) emergency storage basins, and modifications to existing clarifiers.

The Construction Contract Bid for the Midwestern Placer Regional Regional and Reclamation Pipelines was approved by the City Council on November 19, 2013, authorizing award of a Contract for Construction to Rados in the amount of \$20,092,100. Subsequently, a Notice to Proceed was issued to Rados on January 27, 2014. Rados substantially completed the project on August 4, 2016 (Attachment B) and Final Completion on August 16, 2016, including a breakdown of all change orders in the amount of \$11,534,624. (Attachment C).

FINDINGS/ANALYSIS:

All work was completed per plans and specifications including environmental mitigation monitoring and reporting. With the scope of work for of the Contract being complete and facilitating Startup and Commissioning of the Regional Project, the issuance of a Notice of Completion for the Project will allow closure of the Contract activities and resolution of all outstanding suppliers and subcontractor's payment claims.

Rados has provided the City with a Performance and Payment Bond (Attachments D and E) in the amount of \$20,092,100, each as security for faithful performance and payment of all Contractor's obligations under the Contract Documents. These bonds shall remain in effect until one year after the date when final payment becomes due or until completion of the correction period whichever is later, as described in the Contract Documents. Rados has also provided a



Guarantee Bond and Insurance Certificate (Attachment F). This includes the one year guarantee maintenance bond and the completed operations insurance certificate.

CONCLUSION:

Adopt a Resolution accepting the scope of work performed by Steven P. Rados, Inc. (Rados) for the Mid-Western Placer Regional Sewer Project – Regional and Reclamation Pipelines (Project) as complete and authorizing the City Clerk to file a Notice of Completion with the Placer County Recorder.

ALTERNATIVES:

1. The Council may elect to not approve the Resolution.
2. Provide Staff with additional direction.

FISCAL IMPACT:

Filing of the Notice of Completion for the Regional and Reclamation Pipelines Contract will have no net effect to the project exposure. Project expenditures are summarized as below.

➤ Construction Contract	\$20,092,100
➤ Construction Change Orders:	\$11,534,624
➤ DERA Costs (Pro-Rata)	\$3,468,300
➤ Program Management (Pro-Rata)	\$1,546,428
➤ Construction Management (Pro-Rata)	\$4,924,658
➤ Engineering Services (Pro-Rata)	\$1,389,012
➤ Environmental Services (Pro-Rata)	\$483,298
➤ Placer County Roads Inspection	\$217,549

TOTAL EXPENDITURES	<u>\$43,655,969</u>
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CITY MANAGER VIEW OF CONTENT: MB

APPROVED AS TO LEGAL FORM: LZW

ATTACHMENTS:

Attachment A: Notice of Completion
 Attachment B: Certificate of Substantial Completion
 Attachment C: Change Order Log
 Attachment D: Performance Bond
 Attachment E: Payment Bond
 Attachment F: Guarantee Bond and Insurance Certificate



RESOLUTION NO. 2016-

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LINCOLN
ACCEPTING THE SCOPE OF WORK PERFORMED BY STEVEN P. RADOS, INC.
FOR THE LINCOLN REGIONAL AND RECLAMATION PIPELINES PORTION OF THE
MIDWESTERN PLACER REGIONAL SEWER PROJECT AUTHORIZING THE CITY CLERK
TO FILE A NOTICE OF COMPLETION**

WHEREAS, the City and County have entered into a Construction and Joint Powers Authority (COJA) Agreement for the construction of the Midwestern Placer Regional Sewer Project; and

WHEREAS, the Project is being constructed in three parts as follow: the City of Lincoln Wastewater Treatment and Reclamation Facility; Regional and Reclamation Pipelines; and Sewer Maintenance District 1 Sewer Conveyance Pump Station; and

WHEREAS, on January 27, 2014, the City gave the Notice to Proceed with an executed contract to Steven P. Rados, Inc. for the construction and improvements to the City of Lincoln Wastewater Treatment and Reclamation Facility Pipelines in the amount of \$20,092,100; and

WHEREAS, twenty-nine (29) change orders have been executed in the amount of \$11,534,624 bringing the total contract amount to \$31,626,724; and

WHEREAS, on August 4, 2016, the Certificate of Substantial Completion was recorded; and

WHEREAS, filing of a Notice of Completion for the Contract with Steven P. Rados, Inc. is necessary in order to initiate the lien period and insure the payment of all debtors; and

WHEREAS, the City has received at least one Stop Notice from a subcontractor for outstanding payments due, which will be addressed during the lien period and resolved by Steven P. Rados, Inc., or reconciled with their Bonding Company; and

WHEREAS, the City and Steven P. Rados, Inc. have resolved all change orders and there are no claims for any additional work.

NOW, THEREFORE BE IT RESOLVED, the City Council hereby finds and resolves that the scope of the work performed by Steven P. Rados, Inc. for the Lincoln Regional and Reclamation Pipelines portion of the Midwestern Placer Regional Sewer Project is accepted as complete and authorizes the City Clerk to file a Notice of Completion.

PASSED AND ADOPTED this 13rd day of December, 2016 by the following vote:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

Attest:

Peter Gilbert, Mayor

Gwen Scanlon, City Clerk

Attachment A

RECORDING REQUEST BY:

City Clerk
City of Lincoln

WHEN RECORDED MAIL TO:

City Clerk
City of Lincoln
600 Sixth Street
Lincoln, CA 95648

NOTICE OF COMPLETION

Midwestern Placer Regional Sewer Project, Regional and Reclamation Pipelines
Owner: City of Lincoln
County of Placer
State of California

NOTICE IS HEREBY GIVEN that on the 13th day of December, 2016, the final punchlist items are completed for the work described and awarded in contract to Steven P. Rados, Inc. and which was entered into on November 19, 2013, was performed and all work was found to be in accordance with the specification of said work filed with the City Clerk and adopted by the City County of said City.

That said work of the Regional and Reclamation Pipelines was completed on August 16, 2016 and accepted by the City of the City of Lincoln on December 13, 2016. The accepted Scope of Work includes all work, including work described in all Change Orders 1 – 29.

That the name of the surety on the Contractor's Bond for payment on said Contract is Travelers Casualty and Surety Company of America. The Scope of Work for the Project consisted of 13.4 miles of forced sewer main pipeline, 2.5 miles of water reclamation pipeline, (4) pigging stations, SCAV appurtenances, isolation valves, energy dissipation structure and biofilter. The scope also included the completion of the decommissioning and demolition of the existing SMD-1 WWTP Facility and the construction of (2) emergency storage basins and modifications to existing clarifiers. All work was completed per plans and specifications and all measures for environmental mitigation and monitoring were adhered to.

CITY OF LINCON

BY: _____
Gwen Scanlon, City Clerk

I certify (or declare) under penalty of perjury that the foregoing is true and correct.

Date and Place

Signature

Attachment B

SECTION 00625

CERTIFICATE OF SUBSTANTIAL COMPLETION

Project: Regional and Reclamation Pipelines

Owner: City of Lincoln

Owner's Contract No.:

Contract:

Engineer's Project No.: 184030298

This [tentative] [definitive] Certificate of Substantial Completion applies to:

☒ All Work under the Contract Documents: ☐ The following specified portions of the Work:

Substantial Completion: Shall include installation, testing, startup and training for all work associated with this element of the project. Work including all structures, facilities, equipment and ancillary items including, but not limited to, installation of odor control facilities. Functional testing and successful operation of all pigging stations.

August 4, 2016

Date of Substantial Completion

The Work to which this Certificate applies has been inspected by authorized representatives of Owner, Contractor, and Engineer, and found to be substantially complete. The Date of Substantial Completion of the Project or portion thereof designated above is hereby declared and is also the date of commencement of applicable warranties required by the Contract Documents, except as stated below.

A [tentative] [definitive] list of items to be completed or corrected is attached hereto. This list may not be all-inclusive, and the failure to include any items on such list does not alter the responsibility of the Contractor to complete all Work in accordance with the Contract Documents.

The responsibilities between Owner and Contractor for security, operation, safety, maintenance, heat, utilities, insurance and warranties shall be as provided in the Contract Documents except as amended as follows:

☐ Amended Responsibilities ☒ Not Amended

Owner's Amended Responsibilities:

Contractor's Amended Responsibilities:

The following documents are attached to and made part of this Certificate:

Regional Pipeline Project Punchlist as of 10/19/16

This Certificate does not constitute an acceptance of Work not in accordance with the Contract Documents nor is it a release of Contractor's obligation to complete the Work in accordance with the Contract Documents.

See 1 B.e.
Executed by Engineer

Date

[Signature]
Accepted by Contractor

Date

[Signature]
Accepted by Owner

Date

EJCDC C-625 Certificate of Substantial Completion
Prepared by the Engineers Joint Contract Documents Committee and endorsed by the Construction Specifications Institute.

Page 2 of 2

September 2013
Conformed

Certificate of Substantial Completion
00625-2

Regional and Reclamation Pipelines
184030298

PIPELINE PUNCHLIST

Updated 10/19/16

Station / Location	Description	Comments	Status	BIC
GENERAL				
As-Built Drawings	3/9/16 - As-builts were given to Stantec to update on 2/2/16. Need to update with saddle replacement work.	6/15/16 - As-builts of the saddle replacement work was given to Stantec on 6/9/16. Still need (4) trench drain details. 8/17/16 - Sent to Stantec.	Closed	Rados
As-Built Drawings	C301 - C309, change to Reach 3 (states Reach 2) on title block.	8/17/16 - Sent to Stantec.	Closed	Stantec
As-Built Drawings	Remove all BOVs, except at pigging stations. Detail on as-builts as cross hatched out	8/17/16 - Sent to Stantec.	Closed	Stantec
As-Built Drawings	Trench drain cleanout details, a plug is required at top of the cleanout. Show screen plug or PVC as as-built	8/17/16 - Ok.	Closed	Stantec
O&M Manual Hard Copies	3/9/16 - See tracking log. Rados still has outstanding hard copies.	6/30/16 - FRP Fans and Vacuum Breaker Valves only outstanding O&Ms. 7/21/16 - Only FRP Fans O&M is open. 8/17/16 - All O&Ms have been submitted.	Closed	Rados
Training Hard Copies and DVDs	3/9/16 - See tracking log. Rados has not submitted any training manuals or DVDs - Quincy previously agreed that training manuals and DVDs were not needed for the pipeline work.	10/19/16 - Quincy previously agreed that training manuals and DVDs were not needed for the pipeline work.	Closed	Rados
SWPPP	Complete SWPPP annual report.	8/17/16 - Russell submitted in SMARTS and notified Dave Lee.	Closed	Rados
BIOFILTER				
Lincoln Biofilter	Leaks in Ductwork. Rados/James Long Construction need to determine what is the issue and fix. Appears to be leaking at shaft.	7/29/16 - Leaking joint in pipe from east blower, JH 8/5/16 - Leak in joint fixed on 7/29. Insulation sealed on 8/4.	Closed	Rados
REACH 1				
R1, General	Install pipe markers along CL of pipe (or as noted)	Specifications are every 250' along pipeline outside of paved areas and at change in alignment or end of pipe. 8/5/16 - Installed at Hwy 193 and in Turkey Creek up to Auburn Ravine. Complete, KB	Closed	Rados
R1, General	Verify all valve stem extensions for the shut off valve for ARV and vacuum breaker valve vaults have been installed per previous list.	8/17/16 - Done, JH	Closed	Rados/Jack
Virginiatown Road	Make recommended repairs based on proof rolling	7/29/16 - See proposal, JH 8/5/16 - Bob to confirm. 8/17/16 - Complete.	Closed	Rados
Virginiatown Road	Once paved, raise iron per County standards	10/19/16 - Complete.	Closed	Rados
Above Grade SCAV Stations	Need pipeline makers	10/19/16 - Complete.	Closed	Rados
R1, 08+20	Verify manhole interior painting complete and manhole frame and cover have o-ring and is bolted down.	8/16/16 - Both MH lids need bolts 10/19/16 - Complete	Closed	Rados/Jack
R1, 09+91	84" Junction Manhole. Verify coated on the inside and o-ring gasket complete.	7/12/16 - O-ring verified installed, KB 10/19/16 - Complete	Closed	Rados/Jack

PIPELINE PUNCHLIST

Updated 10/19/16

Station / Location	Description	Comments	Status	BIC
Hwy 193 Pigging Receiving Station	Check pipe supports and safety netting are installed in all vaults.	7/12/16 - Pipe supports installed. Nets installed in vaults except missing at pig retrieval station, KB 7/29/16 - Check if springs replaced on RWs, JH 8/5/16 - Net installed at pig retrieval, KB	Closed	Rados/Jack
Hwy 193 Pigging Receiving Station	Check painting is complete in all vaults.	7/12/16 - Painting complete, KB	Closed	Rados/Jack
Hwy 193 Pigging Receiving Station	Check all handles on shutoff valves are installed.	7/12/16 - Wheel handles installed, KB	Closed	Rados
Hwy 193 to Auburn Ravine	Reseed damaged area on ROW between Hwy 193 and Auburn Ravine.	7/29/16 - Ok. Rados to get release from Turkey Creek owner. JH 8/17/16 - Release received on 8/15.	Closed	Rados
Hwy 193 to Auburn Ravine	Install pipeline location markers between Hwy 193 and Auburn Ravine Crossing (47+00)	7/12/16 - Pipe markers installed along CL of pipe between Hwy 193 pigging station and Auburn Ravine, KB	Closed	Rados
R1, 46+00	Cleanout at top of the bank, check frame and cover, verify screws installed to keep the lid on, top of cleanout completed per C5, detail 3.	7/12/16 - Screws in lid, KB 7/29/16 - OK, JH	Closed	Rados
R1, 46+00	8" gate valve under the camlock coupling, verify valve is painted and MH frame and cover has 8" concrete collar with reinforcing steel hoops.	7/12/16 - Valve not painted, looks ok, KB 8/16/16 - Ok, JH	Closed	Rados/Jack
R1, 50+00	Inspect cleanout painting and MH cover	7/12/16 - Gray touchup paint, KB	Closed	Rados/Jack
R1, 50+10	ARV and SCAV, verify that pipe supports are installed. Verify valve stem doesn't need a valve extension.	7/12/16 - Valve extension not needed (1'-10" deep). Pipe supports installed, KB	Closed	Rados/Jack
Denio at VTR	Where pipe enters VTR, need pipe marker at shoulder of road.	7/12/16 - Pipe marker installed inside of Denio fence KB	Closed	Rados
Denio property	Rados needs to install Denio ramp improvements per the agreement.	8/17/16 - Not proceeding with work.	Closed	Rados
Denio property	ADDED 7/12/16 - Rados to restore Denio fence along Auburn Ravine	7/29/16 - Add fourth strand of barbed wire, JH 8/9/16 - Ok, KB	Closed	Rados
Denio property, south shoulder of VTR	Hydroseed banks and remove construction delineators/cones once work is complete.	7/29/16 - OK, JH	Closed	Rados
Daniel Drive Entrance	Needs to be repaired, limits are painted approx. 8' beyond road. Fix with County road repairs	8/5/16 - Bob watched install and is ok. Complete, KB	Closed	Rados
VTR, 1+27	Bent paddle marker, need to fix.	7/29/16 - OK, JH	Closed	Rados
VTR, 57+35	Driveway at north shoulder has severe excavator marks and 2' wide apron that should be repaved due to construction damage.	7/29/16 - Marks are from trailer hitch bottom out, ok, JH	Closed	Rados
VTR, 57+35	Driveway to the east, verify pavement is hot mix paving for the repair that was done by Rados.	8/5/16 - Complete, KB	Closed	Rados
VTR, 92+80 to 92+95	Culvert repair trench settled.	From Annie punchlist 7/29/16 - AC overlay will address, JH	Closed	Rados
VTR, 101+40	Culvert repair trench settled.	From Annie punchlist 7/29/16 - AC overlay will address, JH	Closed	Rados

PIPELINE PUNCHLIST

Updated 10/19/16

Station / Location	Description	Comments	Status	BIC
VTR, 137+43	Verify both sewer vacuum breaker and sewer combination valve air release valves are both open and that vacuum breaker valve tension is off the shaft so that it can fully shut and/or adjust so that no odor can come out of valve.	7/12/16 - Robert opened both valves and adjusted the weight. Bolts are installed in the lid, KB 7/13/16 - Rados closed both valves due to strong odors.	Closed	Rados
VTR, 137+43	Install pipe marker at shoulder of road.	7/12/16 - Pipe marker installed, KB	Closed	Rados
VTR, 137+43	ADDED 7/12/16 - Concrete MH broken. Rados to fix when raising iron.	10/19/16 - Complete.	Closed	Rados
Fowler at VTR	Verify road repairs made.	8/16/16 - Ok, JH	Closed	Rados
Fowler at VTR	Clean debris at shoulder of road where BOV was removed.	7/12/16 - Debris and straw wattles removed, KB	Closed	Rados
VTR, 155+30	West shoulder of road, remove broken concrete	7/12/16 - Concrete removed, KB	Closed	Rados
VTR, 175+88	BOV removed, west of area is straw wattle that needs to be removed.	7/29/16 - Done, JH	Closed	Rados
VTR, 182+00	Verify that the vacuum breaker valve is completely shut and air release is in operation. Cover needs bolts replaced.	7/12/16 - Robert closed the vacuum breaker (it was open at the time) and bolts installed in lid, KB	Closed	Rados/Jack
VTR, 191+33	Remove straw wattle where BOV was removed. Clean out roadside ditch.	7/12/16 - Debris and straw wattles removed, KB	Closed	Rados
VTR, 203+40	4" PVC pipe installed by Rados per resident request that was previously told no due to no permit. Need to remove pipe, install AB and compact.	7/29/16 - Check, possible verify depth? JH 8/5/16 - Potholed on 8/4 and top of pipe is less than 12" deep. 8/25/16 - Rados lowered the pipe with min. 30" of cover. Done, KB	Closed	Rados
VTR, 204+40	Driveway at SCAV was paved with incorrect slope. Repave driveway.	From Annie punchlist 8/5/16 - Ok, KB	Closed	Rados
VTR, 221+00	East of Stonewood Road, section of County road where shoulder was severely damaged. Needs to be repaired.	8/5/16 - Ok, KB	Closed	Rados
VTR, 223+50	Well located south of forcemain. Additional shoulder drainage needed to prevent water from ARV from leaking into well.	This is an extra cost, discuss with Dave Lee. 7/29/16 - No work needed. Leak was during pressure test, JH	Closed	Rados
VTR, 223+40	Driveway with severe excavator marks. Needs to be repaved.	7/29/16 - Rados is not going to repair, it will get fixed with overlay, JH	Closed	Rados
VTR, 249+00	Cleanout culvert and make sure sandbag is acceptable on north shoulder of VTR.	7/12/16 - Culvert cleaned out, KB	Closed	Rados
VTR, 250+00	Obtain release from property owner (Dailey) for fill that was made on his property.	7/21/16 - Russell emailed and provided signed release.	Closed	Rados
REACH 2				
R2, General	Install pipe markers along CL of pipe (or as noted)	Specifications are every 250' along pipeline outside of paved areas and at change in alignment or end of pipe. 8/17/16 - Ok, JH	Closed	Rados
R2, General	Install boxes per county standards.	8/17/16 - Ok, JH	Closed	Rados

PIPELINE PUNCHLIST

Updated 10/19/16

Station / Location	Description	Comments	Status	BIC
R2, General	Stop legends and fog lines need to be repainted.	8/17/16 - Stop bars ok, no fog lines. JH	Closed	Rados
R2, General	Complete chip seal.	7/29/16 - OK, JH	Closed	Rados
Gold Hill Road	West shoulder of road, provide at least 1 paddle marker with location of forcemain	7/12/16 - Pipe marker installed, KB	Closed	Rados
CH, 14+00	Remove concrete debris from when the valve box riser was repaired to County standard.	7/29/16 - OK, JH	Closed	Rados
Park Lake Court Pigging	Complete Park Lake Ct. pigging station grading and verify the interior pipe supports have been installed. Verify all valve handles and safety nets are installed.	7/12/16 - Safety nets installed except missing at pig retrieval station. Pipe supports and handles installed, KB 8/17/16 - Net install at pig retrieval. JH	Closed	Rados/Jack
Chili Hill, 31+00	Pickup debris from trench dam valve box	7/29/16 - OK, JH	Closed	Rados
CH, 39+00	Clean rubble from shoulder near vaults. Install paddle marker noting CL of pipe.	7/12/16 - Debris removed, pipe marker installed, and bolts in MH lid, KB	Closed	Rados
CH, 47+00	Verify Hunkins is ok with repair to pond and property.	7/21/16 - City verified Hunkins is happy with repairs and has signed agreement.	Closed	Rados
CH, 49+00	ADDED 7/29 - Fix driveway at 49+00, north side	8/16/16 - Done, JH	Closed	Rados
CH, 45+00 to 49+00	Verify damaged white fence is not part of this project on north side of road.	7/20/16 - Per Russell's email, fencing was damaged prior to construction. A small section was damaged during construction and Rados settled with Madson. Russell provided signed release.	Closed	Rados
CH, 55+73	Verify that valve wrench extension is installed	8/9/16 - Complete, KB	Closed	Rados/Jack
CH, 59+00 to 60+00	Two trench drains installed, shoulder of the road needs to be cleaned up.	7/12/16 - Road shoulder cleaned up, KB	Closed	Rados
CH, 62+30	15" CMP has trench drains protruding into it, reducing flow.	7/12/16 - Cut back trench drain, KB	Closed	Rados
CH, 65+00	Cleanup trench drain cleanout box that has debris on road	7/12/16 - Cleaned up cleanout box, KB	Closed	Rados
CH, 66+00	Cleanup trench drain cleanout box that has debris on road	7/12/16 - Cleaned up cleanout box, KB	Closed	Rados
CH, 67+10	10"x10" fence post broken during construction. Remove and replace.	From Annie punchlist. 7/12/16 - Replaced fence post and tied in barb wire, KB	Closed	Rados
Boswell Property	Survey corner marker removed during construction. Reset.	From Annie punchlist. 8/16/16 - Done, JH	Closed	Rados
CH, 69+60	Driveway regraded by contractor after use and now does not drain. Rados to fix.	From Annie punchlist. 7/29/16 - Repaired, JH	Closed	Rados
CH, 75+00	Cleanup trench drain cleanout box that has debris on road	7/29/16 - Complete, JH	Closed	Rados
CH, 90+00	Straw wattle on north shoulder to be removed	7/29/16 - Done, JH	Closed	Rados
CH, 96+35 to 96+47	EP on the north shoulder is raveling. AB section failing, paving is only 1" thick in this area. Rados to fix.	From Annie punchlist. 7/29/16 - Complete, JH	Closed	Rados
CH, 109+71	Complete valve box repairs to County standard	7/29/16 - Complete, JH	Closed	Rados
REACH 3				
R3, General	Install pipe markers along CL of pipe (or as noted)	Specifications are every 250' along pipeline outside of paved areas and at change in alignment or end of pipe. 7/29/16 - OK, JH	Closed	Rados

PIPELINE PUNCHLIST

Updated 10/19/16

Station / Location	Description	Comments	Status	BIC
R3, General	Install boxes per county standard.	7/29/16 - OK, JH	Closed	Rados
R3, General	Install screws at all cleanout box lids	7/29/16 - OK, JH	Closed	Rados
R3, General	Complete chip seal.	7/29/16 - OK, JH	Closed	Rados
R3, General	Stop legends and fog lines need to be repainted.	7/29/16 - None required, JH	Closed	Rados
Chili Hill Pigging Station	Check ladders and safety nets are installed.	7/29/16 - Not at pig retrieval station. OK, JH 8/9/16 - Net install. KB	Closed	Rados/Jack
Chili Hill Pigging Station	Check plans if bollards are required.	7/29/16 - Not required, JH	Closed	Rados/Jack
Chili Hill Pigging Station	Check plans and confirm fence line.	7/29/16 - Okay, check release, JH	Closed	Rados/Jack
Chili Hill Pigging Station	There is a full port plug valve, 16". Should be a riser valve box is in the street, need to verify this is installed and in place.	CHPS details show SCAV valve vault but pipeline profile also shows a second SCAV that is close to this valve. Check for photos what end of valve looks like, and end valve should have blind flange on it. 8/17/16 - Ok, JH	Closed	Rados/Jack
R3, 19+55	(SCAV) Check ARV work is complete.	7/29/16 - Wait for paint, JH 8/17/16 - Ok, JH	Closed	Rados
R3, 19+55	Air vent color doesn't match, needs to be painted dark green.	8/17/16 - Ok, JH	Closed	Rados
Nelson Property	Verify with property owner that all fences have been put back and sign off on work	8/9/16 - Received signed release	Closed	Rados
Nelson Property	ADDED 7/20/16 - There are two blue PVC pipes sticking out of the ground on the north side of Doty. These need to be cut at ground level.	From Bob Joslin 8/5/16 - Per Russell, these are Nelson's	Closed	Rados
R3, 26+60	Verify maintenance gate is installed and also that trench dam cleanout box is up to grade.	8/5/16 - Complete, KB	Closed	Rados/Jack
R3, 26+60	Verify top of bank cleanout is installed and complete.	8/5/16 - Needs valve stem extension 10/19/16 - Complete	Closed	Rados/Jack
R3, 30+00	Verify trench dam is installed.	8/5/16 - Complete, KB	Closed	Rados/Jack
R3, 30+40	Southside of Doty Ravine Crossing, verify cleanout was installed per Detail 3, C5. Verify valve was painted.	8/17/16 - Cleanout painted, ok. Camlock closed. JH	Closed	Rados/Jack
South of 33+00	Repair pavement in front of Nelson property. This location was used as the access point into the storage yard.	From Annie punchlist. 8/5/16 - Paving complete, need to paint lines, KB. 10/19/16 - Complete.	Closed	Rados
North side of Doty Ravine (Smith Property)	ADDED 7/20/16 - Property corner was damaged on Smith property. Rados to reset.	From Bob Joslin 10/19/16 - Complete.	Closed	Rados
North side of Doty Ravine	Verify top of bank cleanout is complete.	8/5/16 - Complete, KB	Closed	Rados/Jack
North side of Doty Ravine	SCAV vault looks good but quite of bit of rock in front of the gate. Verify this is acceptable by property owner.	8/5/16 - Russell will get a release from homeowner, KB 8/9/16 - Received signed release	Closed	Rados/Jack
North side of Doty Ravine	Gate 300' west of Air release valve location has a bent frame, was this from Rados?	8/5/16 - Russell will get a release from homeowner, KB 8/9/16 - Received signed release	Closed	Rados/Jack

PIPELINE PUNCHLIST

Updated 10/19/16

Station / Location	Description	Comments	Status	BIC
Where Pipeline enters road at Wise	Pavement breaking up due to construction. Provide specified chip seal at Wise Road that will fix this location.	7/29/16 - Done, JH	Closed	Rados
Where Pipeline enters road at Wise	Damage on shoulder where baker tank was sitting, about 30'. Replace damaged paving.	7/29/16 - Done, JH	Closed	Rados
Wise, 32+90	Needs marker as SCAV	8/9/16 - Need valve stem extension. 10/19/16 - Complete.	Closed	Rados
Wise, 32+90 500' upstream	2 cleanouts at south shoulder of Wise Road. Between cleanouts the road surface is broken away. Replace paving where underdrain and cleanout where installed.	7/29/16 - Done, JH	Closed	Rados
R3, 38+85	Trench dam drain was installed along the EP. This operation damaged the EP and caused EP road failures. Rados to fix.	From Annie punchlist. 7/29/16 - Done, JH	Closed	Rados
SBV, 40' from intersection	Failed paving area marked in orange. Needs seal coat if just paving. Or if subgrade failure need to dig out and repair	7/29/16 - Done, JH	Closed	Rados
SBV	Cleanout box for shoulder drain on left side of the road need screws installed	8/9/16 - Complete, KB	Closed	Rados
SBV, 250' up road	Two scar marks with orange paint circled, need to be slurry patched.	7/29/16 - Done, JH	Closed	Rados
SBV	See Bryce Von Aesch punchlist	8/5/16 - Rados can stop watering but hydroseed approval must come from the City, KB		Rados
SBV	Cleanout lid ARV is concreted in and needs to be removed and cleaned up.	8/9/16 - Complete, KB	Closed	Rados
SBV, 73+83	Needs bolts installed at ARV vault.	8/9/16 - Complete, KB	Closed	Rados
SBV, 73+83	Verify vacuum breaker valve open.	8/9/16 - Complete, KB	Closed	Rados/Jack
SBV, 76+95	BOV patch edges need to be oiled and sanded where saw cut edges past patch.	7/29/16 - Done, JH	Closed	Rados
SBV, 76+95	To east, there are several scars in paving that should be tack coated and sealed.	7/29/16 - Done, JH	Closed	Rados
SBV, cul-de-sac	Paving needs to be completed.	7/29/16 - Done, JH	Closed	Rados
SBV, cul-de-sac	Verify safety netting is in place at square vaults.	8/17/16 - OK	Closed	Rados
SBV, cul-de-sac	Verify screws are in valve box lids and bolts in MH vault lids.	8/9/16 - Complete, KB	Closed	Rados
SBV, cul-de-sac	Confirm all repairs on Bryce Von Aesch property complete.			Rados
SBV, cul-de-sac	Remove all debris near power pole, including broken concrete and gravel.	7/29/16 - Done, JH	Closed	Rados
Von Aesch ROW	Have homeowner signoff on repairs	Rados to remove temp. irrigation line when complete.		Rados
Von Aesch Property	ADDED 8/2/16 - Replace 3 sprinkler heads at the front wall with correct models.	8/16/16 - Ok, JH	Closed	Rados
R3, 94+13	SCAV, verify complete and bolts added to lid	8/17/16 - Ok	Closed	Rados/Jack

PIPELINE PUNCHLIST

Updated 10/19/16

Station / Location	Description	Comments	Status	BIC
R3, near SBV Pigging Station	There are two trench dams listed on plans, there appears to be a third with a valve cleanout near the pigging station. Need to verify that the cleanout box is off main or drain, need to clarify on as-builts	8/16/16 - Ok, blowoff and vacuum breaker ok. JH	Closed	Stantec
Jarvis Property	Need to have Jarvis signoff on repairs			Rados
R3, 95+90	Trench drain needs to be verified installed and screws in cleanout box	Need plug		Rados
R3, 100+80	Maintenance gates shown on plans on either side of barn. Verify these were installed per property owner request (not installed per plan detail)	8/5/16 - These gates are shown on the plans, not release needed. KB	Closed	Rados
R3, 104+80	Verify maintenance gate was installed and works properly.	8/5/16 - Complete, KB	Closed	Rados
R3, 108+60	Maintenance gate shown on plans, not installed. As-builts need to be updated.	8/17/16 - Ok, JH	Closed	Stantec
R3, 108+50	NID Crossing, verify restored. SWPPP removed	8/17/16 - Ok	Closed	Rados
R3, 108 to 123	Along fence line, verify fence is not damaged.	8/17/16 - Ok	Closed	Rados
R3, 109 to 114	CLSM backfill in this area, check to see if there is any surfacing water that has occurred near Sta. 114	8/17/16 - Ok	Closed	Rados
R3, 123+00	Maintenance access gate installed in fence not shown on plans. Homeowner (works for PG&E) or Shanley need to confirm can leave gate here and can access via Shanley or get from other homeowners on Stoney Ridge Road (Maintenance gate location is 25' from ROW)	7/20/16 - Per Russell's email on 7/19, Rados moved this gate from Sta. 108+60 to it's current location as directed in RFI #088. The City will review access at a later date.	Closed	Rados
R3, 115 to 122	Check if all straw wattles are okay to be left in place along edge of fence or removed.	8/17/16 - Ok	Closed	Rados
R3, 132+31, Michelle Drive	Dead branch of tree by ARV, need to remove unless this was precon.	8/17/16 - Ok	Closed	Rados
R3, 138+00	Remove straw wattles in wet area west of (2) 18" culverts	8/17/16 - Ok	Closed	Rados
R3, 138+00	Need precon photos to see what the entrance of culverts looked like. They are almost plugged now with rocks.	Clean rocks and debris in front of culverts 8/17/16 - Ok	Closed	Rados
R3, North of 138+00	Check precon photos for how fences look	8/17/16 - Ok	Closed	Rados
R3, 154+00	Fence installed and access gate (old style reinstalled as maintenance gate). Verify is access gate is to be installed or if this is okay.	8/17/16 - Ok	Closed	Rados/Jack
R3, 166 to 169	Install pipe markers	8/17/16 - Ok	Closed	Rados
R3 ROW, Domschot property	Hydroseed taking well, still need release from Domschot because Rados used their access road and there are two gates on this property that need adjustment.	7/28/16 - Russell emailed signed release from Domschott. Closed.	Closed	Rados
R3 ROW, Domschot property	Agreement for road restoration into Domschot? Nothing was done?	7/28/16 - Russell emailed signed release from Domschott. Closed.	Closed	Rados

PIPELINE PUNCHLIST

Updated 10/19/16

Station / Location	Description	Comments	Status	BIC
R3 ROW, between Anderson and Meyer properties	Anderson is okay with new fence. Need to confirm with Dennis Meyer	8/17/16 - Ok	Closed	Rados
R3, 183+65	Trench drain needs to be verified installed and screws in cleanout box	8/17/16 - Ok	Closed	Rados/Jack
R3, 182+20	Maintenance gates not installed, fence follows west perimeter of ROW. Need to update as-builts	10/19/16 - Complete.	Closed	Dave Lee
R3, 185+60	Maintenance gates not installed, fence follows west perimeter of ROW. Need to update as-builts	10/19/16 - Complete.	Closed	Dave Lee
R3, 186+42	Vault needs to verify all safety nets installed	8/17/16 - Ok	Closed	Rados/Jack
R3, 186+40	Check installed MH that all painting is complete.	8/17/16 - Ok	Closed	Rados/Jack
R3, 186+20 to 194+22	Crushed rock road is supposed to be 12' wide access road and rock is 20' wide in some places. Needs to be cleaned up per detail C305.	8/17/16 - Ok, JH	Closed	Rados
R3, 171+65 (Domschot)	Maintenance gate needs to be adjusted so pin can slip through	8/17/16 - Ok	Closed	Rados
R3, 172+65 (Domschot)	Maintenance gate needs to be adjusted so pin can slip through	8/17/16 - Ok	Closed	Rados
R3, 191+10 (Meyer)	Access gate hits the post where the gate shuts. It's so tight that it's hard to close. Need to adjust.	8/17/16 - Ok	Closed	Rados
R3, 192+00	ROW off Mt. Vernon. Area of existing fence east of access road, check precon photos to confirm tin siding panels were removed.	8/17/16 - Ok	Closed	Rados/Jack
R3, Allendar Property	Gravel access road is supposed to be 12' wide per detail C305	8/17/16 - Ok, JH	Closed	Rados
R3, Allendar Property	Vehicle traffic left bare areas, need to check if hydroseeding is still required.	8/17/16 - Ok	Closed	Rados
R3, 198+00	Maintenance access gate has large gap at north side. Check with Allendar if she wants additional fill to keep animals from coming through fence.	8/17/16 - Ok	Closed	Rados
R3, 198+00 to 202+48	AC, rocks and AB left in flow line of ditch. Remove.	From Annie punchlist. 8/17/16 - OK	Closed	Rados
R3, 198+20	Scars in paving to be repaired	8/17/16 - Ok	Closed	Rados
R3, 201+50, Mt. Vernon Road	Edge of road has gravel. Needs to be shoveled down so there isn't a pile.	8/17/16 - Ok	Closed	Rados
REACH 4				
R4, General	Install pipe markers along CL of pipe (or as noted)	Specifications are every 250' along pipeline outside of paved areas and at change in alignment or end of pipe. 8/17/16 - Ok, JH	Closed	Rados
R4, General	Complete paving operation.	8/17/16 - Complete	Closed	Rados
R4, General	Slurry seal needs to be completed.	8/17/16 - Complete	Closed	Rados
R4, General	Final striping and fog line needs to be completed.	8/17/16 - Complete	Closed	Rados
Joeger	Complete repair to soft areas.	8/17/16 - Complete	Closed	Rados
Joeger	Cleanouts need screws and caps.	8/17/16 - Complete	Closed	Rados
Joeger	Install screws at trench dam lids.	8/17/16 - Complete	Closed	Rados

PIPELINE PUNCHLIST

Updated 10/19/16

Station / Location	Description	Comments	Status	BIC
Joeger, near Mt. Vernon	South shoulder of road has gravel and some areas this is high and could prevent drainage. Knock down.	8/17/16 - Done, drainage ok. JH	Closed	Rados
Joeger, 18+50	Trench drain needs screws installed	8/17/16 - Complete	Closed	Rados
Joeger, 22+50	AC and EP failing in eastbound lane. Rados to repair.	From Annie punchlist 8/17/16 - Done. JH	Closed	Rados
Joeger, near Larkin Lane	Trench drain at Larkin Lane flowing water. Trench drain needs to be buried. Running higher, maybe due to Deadman's Ravine? Verify if Deadman's Ravine is leaking into trench drain.	8/17/16 - Complete, JH	Closed	Dave Lee / Jack
Joeger, Bell Intersection	Modify manhole collar to County standards	7/8/12 - Complete, KB. Verified by Annie Martin.	Closed	Rados
11335 Joeger	Patch in road, excess AC and dirt need to be cleaned up after paving repairs complete.	8/17/16 - Complete, JH	Closed	Rados
Joeger, 134+00	12" culvert, north end has several rocks positioned around and needs to be finished up. County needs to look at because drainage ditch is higher than culvert and floods.	8/17/16 - Cleaned up, done. JH	Closed	County
Joeger, 140+00	Fence needs to be repaired and tied back	7/21/16 - Russell emailed and provided signed release.	Closed	Rados
Joeger, west bank of Rock Creek	Straw wattles and erosion control in place.	8/17/16 - Removed, done. JH	Closed	Rados
REACH 5				
Reclaimed Waterline, Sta. 144+21	Valve box lid needs 2 screws	Added 6/3/16 7/8/16 - Screws installed, KB	Closed	Rados
Reclaimed Waterline, Sta. 144+21	Touchup painting must be done on the ARV and piping down in hole. Pipe is rusted. Need to dewater for painting	Added 6/3/16 7/8/16 - Touchup paint complete, KB	Closed	Rados
Reclaimed Waterline, Sta. 144+21	O-ring gasket for manhole gasket is broken (3" long segment), need to replace.	7/8/16 - O-ring installed, KB	Closed	Rados
Reclaimed Waterline, Sta. 128+06	Valve box did not have screws and housing.	Added 6/3/16 7/8/16 - Screws installed, KB	Closed	Rados
Reclaimed Waterline, Sta. 128+06	Camlock fitting ok but flange pipe within vault must be painted.	7/8/16 - Flange painted, KB	Closed	Rados
Reclaimed Waterline, Sta. 112+13	Manhole in street, air blowoff, round manhole, pipe and rust areas must be painted.	Added 6/3/16 7/8/16 - Pipe and valve painted, KB	Closed	Rados
Reclaimed Waterline, Sta. 88+82	Added air valve at Sta. 88+82. There is corrosion on ARV. ARV has steel pipe need touchup painting (purple epoxy paint)	Added 6/3/16 7/8/16 - Touchup paint complete, KB	Closed	Rados
Reclaimed Waterline, Sta. 87+19	Roadside markers at bridge look like they were recently replaced.	Added 6/3/16 7/8/16 - Markers look ok, no issue, KB	Closed	Rados
Reclaimed Waterline, Sta. 87+07	Need to paint BOV at flange.	Added 6/3/16 7/8/16 - Touchup paint complete, KB	Closed	Rados
Reclaimed Waterline, Sta. 82+11	ARV is okay. Some corrosion on the top of the ARV and the GSP should be cleaned and repainted.	Added 6/3/16 7/8/16 - Touchup paint complete, KB	Closed	Rados
Reclaimed Waterline, Sta. 73+57	All BOVs need to be painted at the flange, camlock should not be painted.	Added 6/3/16 7/8/16 - Touchup paint complete, KB	Closed	Rados

PIPELINE PUNCHLIST

Updated 10/19/16

Station / Location	Description	Comments	Status	BIC
Reclaimed Waterline, Sta. 66+33	2" CAV has a lot of corrosion on ARV. Fitting underneath air valve also has a lot of corrosion and both need touchup painting on valve and piping.	Added 6/3/16 7/8/16 - Touchup paint complete, KB	Closed	Rados
Reclaimed Waterline, Sta. 53+94	4" BOV, okay but flange is exposed so when you open the box lid, you can see the camlock cap and flange. Paint flange purple.	Added 6/3/16 7/8/16 - Touchup paint complete, KB	Closed	Rados
Reclaimed Waterline, Sta. 42+87	Galvanized pipe and air valve need to be painted.	Added 6/3/16 7/8/16 - Touchup paint complete, KB	Closed	Rados
Reclaimed Waterline, Sta. 26+80	East of valve, chip seal coat has area that needs to be repaired.	Added 6/3/16 7/8/16 - Verified complete by Annie Martin	Closed	Rados
Reclaimed Waterline, Sta. 26+63	Looks like ARV had possibly been leaking (not at time of inspection). BOV looked okay, can see flange but not majorly corroded. Paint ARVs and piping.	Added 6/3/16 7/8/16 - Touchup paint complete, KB	Closed	Rados
Far West End of Reclaimed Waterline, Sta. 12+48	Cluster of 3 valves indicate end of line, south box needs valve stem extension put in, currently missing.	Added 6/3/16 7/8/16 - Valve stem extensions in all 3, KB	Closed	Rados
Machado Irrigation Control Facility	Above grade ARV in box should be painted purple.	Added 6/3/16 7/8/16 - Box painted, KB	Closed	Rados
Machado Turnout	Machado turnout. Valve does not need riser because so short.	Added 6/3/16 7/8/16 - Verified, no action, KB	Closed	Rados

Attachment C

PCO No.	CM	RFP No.	SPR LL	Project	Title	Status	Change Order	Rados Submitted Initial Cost	Proposed Negotiated Cost	Final Change Order Cost	Revised Change Order Cost	Outstanding Difference
4			22	PIPE	Change Piping Tie-in Location and Configuration of the Reclaimed Water Pipeline	Closed, Paid	001	\$ -	\$ -	\$ -	\$ -	\$ -
7			12	PIPE	Compensation for SWPPP Payment	Closed, Paid	001	\$ 2,494.00	\$ 2,494.00	\$ 2,494.00	\$ 2,494.00	\$ -
20				PIPE	Revise Milestone 1 Date	Closed, Paid	001	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL								\$ 2,494.00	\$ 2,494.00	\$ 2,494.00	\$ 2,494.00	\$ -
-				PIPE	Change Substantial and Final Completion Dates	Closed, Paid	002	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL								\$ -	\$ -	\$ -	\$ -	\$ -
23			29 39 50 59	PIPE	E. Catlett Road Restoration	Closed, Paid	003	\$ 273,726.78	\$ 273,726.78	\$ 273,726.78	\$ 273,726.78	\$ -
23			29 39 50 59	PIPE	E. Catlett Road Maintenance	Closed, Paid	003	\$ 53,105.72	\$ 53,105.72	\$ 53,105.72	\$ 53,105.72	\$ -
TOTAL								\$ 326,832.50	\$ 326,832.50	\$ 326,832.50	\$ 326,832.50	\$ -
27		23	31 53 66	PIPE	Costs Associated with Bird Nest on Fowler Property	Closed, Paid	004	\$ 16,329.47	\$ 16,329.47	\$ 16,329.47	\$ 16,329.47	\$ -
TOTAL								\$ 16,329.47	\$ 16,329.47	\$ 16,329.47	\$ 16,329.47	\$ -
1, 12, 18, 21					Hwy 193 Pigging Station Relocation	Closed, Paid	005	\$ 123,040.94	\$ 123,040.94	\$ 123,040.94	\$ 123,040.94	\$ -
TOTAL								\$ 123,040.94	\$ 123,040.94	\$ 123,040.94	\$ 123,040.94	\$ -
3			15 26 71	PIPE	Additional SRF Signs	Closed, Paid	006	\$ 8,456.09	\$ 8,456.09	\$ 8,456.09	\$ 8,456.09	\$ -
19			19 52	PIPE	Pipeline Storage at Turkey Creek	Closed, Paid	006	\$ 3,223.73	\$ 3,223.73	\$ 3,223.73	\$ 3,223.73	\$ -
37			54	PIPE	Modify Blowoff at Sta. 87+01 R6	Closed, Paid	006	\$ 799.86	\$ 799.86	\$ 799.86	\$ 799.86	\$ -
48			105	PIPE	Slurry Seal Credit for E. Catlett	Closed, Paid	006	\$ (48,613.94)	\$ (48,613.94)	\$ (48,613.94)	\$ (48,613.94)	\$ -
49			75	PIPE	Additional Arborist Costs	Closed, Paid	006	\$ 13,169.00	\$ 13,169.00	\$ 13,169.00	\$ 13,169.00	\$ -
57				PIPE	Additional Day for Fowler Bird Nesting	Closed, Paid	006	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL								\$ (22,965.26)	\$ (22,965.26)	\$ (22,965.26)	\$ (22,965.26)	\$ -
11			45 68		Added CAV at Sta. 88+82, Reach 6	Closed, Paid	007	\$ 5,639.99	\$ 5,639.99	\$ 5,639.99	\$ 5,639.99	\$ -
29			29 94		Placement of 1 Sack CLSM on E. Catlett Sta. 87+05	Closed, Paid	007	\$ 858.88	\$ 858.88	\$ 858.88	\$ 858.88	\$ -
51			90 108		Rock Creek Crossing Tie-in Point	Closed, Paid	007	\$ 27,304.98	\$ 27,304.98	\$ 27,304.98	\$ 27,304.98	\$ -
TOTAL								\$ 33,803.85	\$ 33,803.85	\$ 33,803.85	\$ 33,803.85	\$ -
-			112	PIPE	Compensation for Accelerating HDD Crossing	Closed, Paid	008	\$ 138,715.75	\$ 138,715.75	\$ 138,715.75	\$ 138,715.75	\$ -
-			113	PIPE	Adjustment in Contract Cost for Additional Length of Crossing	Closed, Paid	008	\$ 212,433.51	\$ 212,433.51	\$ 212,433.51	\$ 212,433.51	\$ -
TOTAL								\$ 351,149.26	\$ 351,149.26	\$ 351,149.26	\$ 351,149.26	\$ -
63			83 109	PIPE	Deducts for the paving of Virginiatown Road from the Contract	Closed, Paid	009	\$ (493,700.00)	\$ (493,700.00)	\$ (493,700.00)	\$ (493,700.00)	\$ -

PCO No.	CM	RFP No.	SPR LL	Project	Title	Status	Change Order	Rados Submitted Initial Cost	Proposed Negotiated Cost	Final Change Order Cost	Revised Change Order Cost	Outstanding Difference
63			83 109	PIPE	Costs for the extended maintenance of Virginiatown Road	Closed, Paid	009	\$ 32,646.75	\$ 32,646.75	\$ 32,646.75	\$ 32,646.75	\$ -
63			83 109	PIPE	Costs for raising iron on Virginiatown Road after final paving by Placer County	Closed, Paid	009	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ -
63			83 109	PIPE	Deducts for the paving of Fowler Road from the Contract	Closed, Paid	009	\$ (26,000.00)	\$ (26,000.00)	\$ (26,000.00)	\$ (26,000.00)	\$ -
TOTAL								\$ (482,053.25)	\$ (482,053.25)	\$ (482,053.25)	\$ (482,053.25)	\$ -
50			64	PIPE	Culvert Restoration	Closed, Paid	010	\$ 48,488.56	\$ 48,488.56	\$ 48,488.56	\$ 48,488.56	\$ -
54			62	PIPE	Additional Rock Allowance thru December 2014	Closed, Paid	010	\$ 157,701.04	\$ 157,701.04	\$ 157,701.04	\$ 157,701.04	\$ -
6			10 46 74	PIPE	ATT&T Duct Avoidance on E. Catlett	Closed, Paid	010	\$ 44,535.43	\$ 44,535.43	\$ 44,535.43	\$ 44,535.43	\$ -
14			35 87	PIPE	CCTV Bickford Pipeline	Closed, Paid	010	\$ 14,169.99	\$ 14,169.99	\$ 14,169.99	\$ 14,169.99	\$ -
13			21 27 70	PIPE	Deteriorated 12 inch CMP on E. Catlett	Closed, Paid	010	\$ 11,729.21	\$ 11,729.21	\$ 11,729.21	\$ 11,729.21	\$ -
5			73	PIPE	Additional NID Crossings	Closed, Paid	010	\$ 19,800.00	\$ 19,800.00	\$ 19,800.00	\$ 19,800.00	\$ -
36			116	PIPE	Biofilter Relocation	Closed, Paid	010	\$ 59,721.24	\$ 59,721.24	\$ 59,721.24	\$ 59,721.24	\$ -
55				PIPE	Additional Creek Crossings	Closed, Paid	010	\$ 26,666.67	\$ 26,666.67	\$ 26,666.67	\$ 26,666.67	\$ -
TOTAL								\$ 382,812.14	\$ 382,812.14	\$ 382,812.14	\$ 382,812.14	\$ -
87				SMD1	SMD-1 Extra Work, Coat 3 Submersible Pumps	Closed, Paid	011	\$ 4,132.80	\$ 4,132.80	\$ 4,132.80	\$ 4,132.80	\$ -
TOTAL								\$ 4,132.80	\$ 4,132.80	\$ 4,132.80	\$ 4,132.80	\$ -
98				SMD1	SMD-1 Pump Station Contract Work	Closed, Paid	012	\$ 1,889,247.00	\$ 1,889,247.00	\$ 1,889,247.00	\$ 1,889,247.00	\$ -
TOTAL								\$ 1,889,247.00	\$ 1,889,247.00	\$ 1,889,247.00	\$ 1,889,247.00	\$ -
62				PIPE	Reach 2 Well Protection	Closed, Paid	013	\$ 7,693.68	\$ 7,693.68	\$ 7,693.68	\$ 7,693.68	\$ -
88				PIPE	Modify Pressure Gauge	Closed, Paid	013	\$ 37,043.14	\$ 37,043.14	\$ 37,043.14	\$ 37,043.14	\$ -
67				PIPE	Reach 3 Unmarked AT&T Lines	Closed, Paid	013	\$ 6,694.17	\$ 6,694.17	\$ 6,694.17	\$ 6,694.17	\$ -
74				PIPE	Rock Removal from January to February 2015	Closed, Paid	013	\$ 265,294.39	\$ 265,294.39	\$ 265,294.39	\$ 265,294.39	\$ -
95				PIPE	Asphalt Subgrade Repairs on Reach 2 near Sta. 96+00 and 73+50	Closed, Paid	013	\$ 4,448.59	\$ 4,448.59	\$ 4,448.59	\$ 4,448.59	\$ -
TOTAL								\$ 321,173.97	\$ 321,173.97	\$ 321,173.97	\$ 321,173.97	\$ -
100				SMD1	SMD-1 Security Guard to Monitor Pump Station Construction Zone, June 2015	Closed, Paid	014	\$ 7,587.56	\$ 7,587.56	\$ 7,587.56	\$ 7,587.56	\$ -
93				SMD1	SMD-1 Extra Wor, Biofilter FRP Ductwork and Accessories	Closed, Paid	014	\$ 16,825.18	\$ 16,825.18	\$ 16,825.18	\$ 16,825.18	\$ -
TOTAL								\$ 24,412.74	\$ 24,412.74	\$ 24,412.74	\$ 24,412.74	\$ -
106				PIPE	Bid Item 38B Deductive Change Order	Closed, Paid	015	\$ (11,420.06)	\$ (11,420.06)	\$ (11,420.06)	\$ (11,420.06)	\$ -
16			49 60 69 110	PIPE	Air Valve Box Replacement	Closed, Paid	015	\$ 9,627.65	\$ 9,627.65	\$ 9,627.65	\$ 9,627.65	\$ -
86				PIPE	Cave-in at Doty Ravine	Closed, Paid	015	\$ 436,074.06	\$ 436,074.06	\$ 436,074.06	\$ 436,074.06	\$ -
83			129	PIPE	Chili Hill Foundation Stabilization	Closed, Paid	015	\$ 153,515.96	\$ 153,515.96	\$ 153,515.96	\$ 153,515.96	\$ -
109				PIPE	PG&E Bill for Biofilter	Closed, Paid	015	\$ (26.89)	\$ (26.89)	\$ (26.89)	\$ (26.89)	\$ -
TOTAL								\$ 587,770.72	\$ 587,770.72	\$ 587,770.72	\$ 587,770.72	\$ -
-				SMD1	Amount to be Deducted from Line Item 800 T&M Allowance in CO#012PS	Closed, Paid	016	\$ (43,829.60)	\$ (43,829.60)	\$ (43,829.60)	\$ (43,829.60)	\$ -
115		83PS	175	SMD1	RFP#083PS: SMD-1 Extra Work, Baker Tanks for Temporary Sludge Storage	Closed, Paid	016	\$ 31,097.56	\$ 31,097.56	\$ 31,097.56	\$ 31,097.56	\$ -
126			176	SMD1	SMD-1 Extra Work, Installation of FRP Piping at Biofilter	Closed, Paid	016	\$ 12,732.04	\$ 12,732.04	\$ 12,732.04	\$ 12,732.04	\$ -
TOTAL								\$ -	\$ -	\$ -	\$ -	\$ -

PCO No.	CM	RFP No.	SPR LL	Project	Title	Status	Change Order	Rados Submitted Initial Cost	Proposed Negotiated Cost	Final Change Order Cost	Revised Change Order Cost	Outstanding Difference
-				PIPE	Global Change Order Lump Sum Agreement	Closed, Paid	017	\$ 6,200,000.00	\$ 6,200,000.00	\$ 6,200,000.00	\$ 6,200,000.00	\$ -
-				PIPE	Bonus for Meeting Milestone 1 on May 16, 2016	Closed, Paid	017	\$ 250,000.00	\$ 250,000.00	\$ 250,000.00	\$ 250,000.00	\$ -
-				PIPE	Bonus for Meeting Milestone 2 on August 16, 2016	Closed, Paid	017	\$ 250,000.00	\$ 250,000.00	\$ 250,000.00	\$ 250,000.00	\$ -
TOTAL								\$ 6,700,000.00	\$ 6,700,000.00	\$ 6,700,000.00	\$ 6,700,000.00	\$ -
-				SMD1	Amount to be Deducted from Line Item 800 T&M Allowance in CO#012PS	Closed, Paid	018	\$ (52,859.42)	\$ (52,859.42)	\$ (52,859.42)	\$ (52,859.42)	\$ -
167			218	SMD1	FO#016PS: Bring Synagro Onsite, April 2016 Progress Payment	Closed, Paid	018	\$ 52,859.42	\$ 52,859.42	\$ 52,859.42	\$ 52,859.42	\$ -
TOTAL								\$ -	\$ -	\$ -	\$ -	\$ -
151			219	SMD1	FO#012PS: SMD-1 Piping Material between ESB1 and ESB2	Closed, Paid	019	\$ 52,360.78	\$ 52,360.78	\$ 52,360.78	\$ 52,360.78	\$ -
154			217	PIPE	RFP#086: Fix Fence Between Meyer and Anderson Properties	Closed, Paid	019	\$ 3,345.70	\$ 3,345.70	\$ 3,345.70	\$ 3,345.70	\$ -
158			210	SMD1	Install Ball Valves on Pig Launch Tube at SMD-1	Closed, Paid	019	\$ 530.24	\$ 530.24	\$ 530.24	\$ 530.24	\$ -
159			211	SMD1	SMD-1 Temporary Hazardous Cargo Container	Closed, Paid	019	\$ 637.87	\$ 637.87	\$ 637.87	\$ 637.87	\$ -
TOTAL								\$ 56,874.59	\$ 56,874.59	\$ 56,874.59	\$ 56,874.59	\$ -
116			212 225 236	SMD1	FO#008PS: SMD-1 Ramp and Levee	Closed, Paid	020	\$ 11,636.49	\$ 11,474.26	\$ 11,474.26	\$ 11,474.26	\$ -
156			220	SMD1	SMD-1 Repaired Damaged Waterlines	Closed, Paid	020	\$ 3,681.11	\$ 3,681.11	\$ 3,681.11	\$ 3,681.11	\$ -
160			213	SMD1	Remove County Trash and Debris from SMD-1 Site	Closed, Paid	020	\$ 11,094.97	\$ 11,094.97	\$ 11,094.97	\$ 11,094.97	\$ -
161			214 237	SMD1	SMD-1 Remove Trash and Debris from Disney Construction	Closed, Paid	020	\$ 10,391.97	\$ 9,328.08	\$ 9,328.08	\$ 9,328.08	\$ -
179			231 226	SMD1	RFP#083PS: SMD-1 Baker Tanks for Sludge Storage, Remaining Billing	Closed, Paid	020	\$ 7,304.34	\$ 7,223.85	\$ 7,223.85	\$ 7,223.85	\$ -
TOTAL								\$ 44,108.88	\$ 42,802.27	\$ 42,802.27	\$ 42,802.27	\$ -
147	149	FO#015	232 251	PIPE	FO#015 - Additional Trench Dams	Closed, Paid	021	\$ 180,570.32	\$ 180,152.09	\$ 180,152.09	\$ 180,152.09	\$ -
TOTAL								\$ 180,570.32	\$ 180,152.09	\$ 180,152.09	\$ 180,152.09	\$ -
163	169		257	SMD1	Finish Biofilter	Closed, Paid	022	\$ 24,793.08	\$ 22,582.66	\$ 12,582.66	\$ 12,582.66	\$ -
168	142	FO#017PS	265	SMD1	FO#017PS - Reroute Electrical from Sludge Building	Closed, Paid	022	\$ 8,527.03	\$ 8,527.03	\$ 1,893.51	\$ 1,893.51	\$ -
195	162	FO#024PS	283	SMD1	FO#024PS - Pull New Signal Wire for Influent Flow Meter	Closed, Paid	022	\$ 6,902.91	\$ 6,902.91	\$ -	\$ -	\$ -
201	176		284	SMD1	SMD-1 FRP Piping and Air Balance	Closed, Paid	022	\$ 10,997.98	\$ 10,997.98	\$ 7,997.98	\$ 7,997.98	\$ -
205	174		263 277 310	SMD1	Bollard Procurement and Installation Misc. Metals at SMD-1	Closed, Paid	022	\$ 7,025.29	\$ 7,025.29	\$ 187.78	\$ 187.78	\$ -
209	182		293	SMD1	SMD-1 Paint Bollards	Closed, Paid	022	\$ 2,787.49	\$ 2,787.49	\$ -	\$ -	\$ -
TOTAL								\$ 61,033.78	\$ 58,823.36	\$ 22,661.93	\$ 22,661.93	\$ -
173	172	FO#016PS	240 269 309	SMD1	FO#016PS - Bring Synagro Onsite to SMD1, May 2016 Progress Payment	Closed, Paid	023	\$ 42,471.87	\$ 27,626.85	\$ 27,626.85	\$ 27,626.85	\$ 14,845.02
188		FO#016PS	268 321	SMD1	Synagro Digester Cleaning	Closed, Paid	023	\$ 221,357.40	\$ 205,099.87	\$ 205,099.87	\$ 218,014.87	\$ 3,342.53
				SMD1	SMD1 Change Order 12PS Allowance	Closed, Paid	023	\$ -	\$ (153,310.98)	\$ (153,310.98)	\$ (153,310.98)	\$ -
TOTAL								\$ 263,829.27	\$ 79,415.74	\$ 79,415.74	\$ 92,330.74	\$ 18,187.55
157	135		209 302 322	SMD1	SMD1 Extra Work, Chlorine Leak on 12/1/15 (T&M)	Closed, Paid	024	\$ 2,569.31	\$ 2,094.62	\$ 2,527.02	\$ 2,527.02	\$ -
171	152	FO#019PS	261	SMD1	FO#019PS - Installation of PVC Sludge Line	Closed, Paid	024	\$ 5,065.85	\$ 5,065.85	\$ 5,065.85	\$ 5,065.85	\$ -
193	161	FO#021PS	256	SMD1	FO#021PS - Block Wall Around Propane Tank	Closed, Paid	024	\$ 12,965.53	\$ 12,965.53	\$ 12,965.53	\$ 12,965.53	\$ -

PCO No.	CM	RFP No.	SPR LL	Project	Title	Status	Change Order	Rados Submitted Initial Cost	Proposed Negotiated Cost	Final Change Order Cost	Revised Change Order Cost	Outstanding Difference
196	163	FO#026PS	275 306	SMD1	FO#026PS - Demo Clarifications at Clarifiers 1 & 2	Closed, Paid	024	\$ 6,975.17	\$ 6,975.17	\$ 6,975.17	\$ 6,975.17	\$ -
197	181		252	SMD1	Locate and Abandon 4in Reclaimed Line Feeding Sludge Building	Closed, Paid	024	\$ 8,111.94	\$ 8,111.94	\$ 8,111.94	\$ 8,111.94	\$ -
199	167		267	SMD1	Salvaged Equipment	Closed, Paid	024	\$ 5,684.27	\$ 5,684.27	\$ 5,684.27	\$ 5,684.27	\$ -
202	177		282	SMD1	Form and Pour Manhole Base at PC 3 & 4	Closed, Paid	024	\$ 3,552.53	\$ 1,154.53	\$ 1,154.53	\$ 1,154.53	\$ -
203	178		279	SMD1	Piping Materials at SMD-1	Closed, Paid	024	\$ 10,043.13	\$ 10,043.13	\$ 10,043.13	\$ 10,043.13	\$ -
TOTAL								\$ 54,967.73	\$ 52,095.04	\$ 52,527.44	\$ 52,527.44	\$ -
150	180	-	221	PIPE	Cost to Complete Work on Denio Property (Ramp and Restoration)	Signed, Pending with City	025	\$ (3,103.26)	\$ (3,103.26)	\$ (3,103.26)	\$ (3,103.26)	\$ -
175.3	179	FD#021	292 304	PIPE	Joeger Road Soft Paving Areas - Extend Trench Drain at Larkin Lane	Signed, Pending with City	025	\$ 10,728.98	\$ 10,728.98	\$ 10,728.98	\$ 10,728.98	\$ -
TOTAL								\$ 7,625.72	\$ 7,625.72	\$ 7,625.72	\$ 7,625.72	\$ -

PCO No.	CM	RFP No.	SPR LL	Project	Title	Status	Change Order	Rados Submitted Initial Cost	Proposed Negotiated Cost	Final Change Order Cost	Revised Change Order Cost	Outstanding Difference
113	93	RFP#073PS / FO#009PS	278	SMD1	RFP #073PS - SMD1 Extra Work, Site Grading and Paving FO #009PS - Additional Culvert and Drain Inlet	Open, Needs to be Revised	026	\$ 33,461.86	\$ 14,603.10	\$ 14,603.10	\$ 33,461.86	\$ -
155	164		254 295	SMD1	SMD1 SWPPP (T&M)	Open, Need to Confirm Cost	026	\$ 85,373.18	\$ -	\$ -	\$ 26,248.42	\$ 59,124.76
164	170		247 253 307	SMD1	DSC Utilities at SMD1	Open, Needs to be Revised	026	\$ 8,139.76	\$ 5,455.46	\$ 5,455.46	\$ 8,139.76	\$ -
165	139	FD#020	207 215	SMD1	FD#020 - SMD1 Tree Trimming and Pruning	Open, Needs to be Revised	026	\$ 14,432.00	\$ -	\$ -	\$ 14,432.00	\$ -
166	140		216	SMD1	PM#070PS - SMD1 Tree Trimming and Pruning 3/31/16	Open, Needs to be Revised	026	\$ 2,521.63	\$ 1,000.00	\$ 1,000.00	\$ 2,521.63	\$ -
170	144		276 313	SMD1	SMD1 Pump and Piping (Rain for Rent) from CCB3 to Wetwell	Open, Needs to be Revised	026	\$ 24,365.20	\$ 9,588.98	\$ 9,588.98	\$ 24,365.20	\$ -
178	146	RFP#087PS	288 303	SMD1	RFP#087PS - Credit for ESB2 Overflow Structure	Open, No Change	026	\$ (12,141.57)	\$ (34,635.82)	\$ (21,835.82)	\$ (21,835.82)	\$ -
180.1	171	PM#072PS	260 300	SMD1	Additional Dewatering/Decommissioning Costs - Plugging Lines and Demo Backfill	Open, Needs to be Revised	026	\$ 32,623.61	\$ -	\$ -	\$ 32,623.61	\$ -
180.2	171	PM#072PS	228 229 234 243 245 274	SMD1	Additional Dewatering/Decommissioning Costs - Remove Sludge and Waste	Open, Needs to be Revised	026	\$ 49,609.70	\$ -	\$ -	\$ 49,609.70	\$ -
190	158		241 287 316	SMD1	Additional Embankment Fill and Labor	Open, Need to Confirm Cost	026	\$ 61,191.31	\$ -	\$ -	\$ -	\$ 61,191.31
191	159		244 249	SMD1	FO#025PS - Remove Coal Tar from Clarifiers 3 & 4	Open, No Change	026	\$ 16,013.73	\$ 16,013.73	\$ 16,013.73	\$ 16,013.73	\$ -
198	173		258 314	SMD1	Furnish and Install Rebar at SMD1	Open, Needs to be Revised	026	\$ 29,825.00	\$ 17,656.61	\$ 17,656.61	\$ 29,825.00	\$ -
TOTAL							\$	345,415.41	\$ 29,682.06	\$ 42,482.06	\$ 215,405.09	\$ 120,316.07
177			273	SMD1	Hauling Rock from ESB Construction off SMD-1 Site	Open, Need to Confirm Cost	027	\$ 41,187.80	\$ -	\$ -	\$ 19,650.33	\$ 21,537.47
182	148	RFP#088PS	272	SMD1	RFP#088PS - Reroute Power for Mud Sumps from Chlorine Building to MCC Building	Open, Needs to be Revised	027	\$ 17,954.90	\$ -	\$ -	\$ 17,954.90	\$ -
185	154	RFP#091PS	335	SMD1	RFP#091PS - Credit for FO#005PS Clarifications	Open, Needs to be Revised	027	\$ 548.93	\$ (2,500.00)	\$ (2,500.00)	\$ -	\$ 548.93
192	160		246 250 308	SMD1	SMD-1 Rock Excavation	Open, Needs to be Revised	027	\$ 89,607.77	\$ 75,057.96	\$ 75,057.96	\$ 89,607.77	\$ -
200	168		264 298	SMD1	Hydroseed SMD-1 Plant	Open, Need to Confirm Cost	027	\$ 19,507.03	\$ -	\$ -	\$ -	\$ 19,507.03
204	185		281 305 319	SMD1	Fill and Grade Digester Area, Reinstall 1" Waterline	Open, Needs to be Revised	027	\$ 20,988.17	\$ -	\$ -	\$ 20,988.17	\$ -
206	183		286 318	SMD1	SMD1 and Pipeline Punchlist Acceleration Costs	Open, Needs to be Revised	027	\$ 56,861.06	\$ -	\$ -	\$ 56,861.06	\$ -
207	184		289 317	SMD1	Impacts to Levee Work due to Temp Levee, Diversion Ditch, and Associated Constraints	Open, Needs to be Revised	027	\$ 142,587.34	\$ -	\$ -	\$ 140,000.00	\$ 2,587.34
208			262 334	SMD1	Install Filter Fabric under Liner on Slopes of Basin	Open, Need to Confirm Cost	027	\$ 5,266.59	\$ -	\$ -	\$ -	\$ 5,266.59
TOTAL							\$	394,509.59	\$ 72,557.96	\$ 72,557.96	\$ 345,062.23	\$ 49,447.36

PCO No.	CM	RFP No.	SPR LL	Project	Title	Status	Change Order	Rados Submitted Initial Cost	Proposed Negotiated Cost	Final Change Order Cost	Revised Change Order Cost	Outstanding Difference
172	165		266 315	PIPE	Inspecting ARVs	Open, Needs to be Revised	028	\$ 4,163.39	\$ -	\$ -	\$ 4,163.39	\$ -
175.1	179	FD#021	290 297	PIPE	Joeger Road Soft Paving Areas - Repair Asphalt at Deadman's Ravine	Open, Needs to be Revised	028	\$ 3,320.86	\$ -	\$ -	\$ 3,320.86	\$ -
175.2	179	FD#021	271 291	PIPE	Joeger Road Soft Paving Areas - Pave and Slurry Seal Joeger	Open, Needs to be Revised	028	\$ 90,083.23	\$ -	\$ -	\$ 45,041.62	\$ 45,041.62
176	175		248 285 296	PIPE	Virginiatown Road Trench Failures	Open, Needs to be Revised	028	\$ 54,845.01	\$ -	\$ -	\$ 27,422.51	\$ 27,422.51
181	162	PM#071	233 235 259 299	PIPE	Modifying Manhole Collars on Chili Hill and Joeger at Bell	Open, Needs to be Revised	028	\$ 11,447.17	\$ -	\$ -	\$ 11,447.17	\$ -
186	155	FO#020	239 255	PIPE	FO#020 - S Bar V Vault Grading and Rock Wall	Open, No Change	028	\$ 16,722.28	\$ 16,510.86	\$ 16,510.86	\$ 16,510.86	\$ 211.42
TOTAL								\$ 180,581.94	\$ 16,510.86	\$ 16,510.86	\$ 107,906.40	\$ 72,675.54
104	91	FO#005PS	224 280 311	SMD1	FO No. 005PS - SMD1 Temporary ES82 Levee	Open, Needs to be Revised	029	\$ 136,130.92	\$ 111,993.52	\$ 111,993.52	\$ 136,130.92	\$ -
210			312	SMD1	Disposal of Asbestos Cement Pipe	Open, No Change	029	\$ 752.42	\$ 752.42	\$ 752.42	\$ 752.42	\$ -
173.1	172	FO#016PS	240 269 309	SMD1	FO#016PS - Bring Synagro Onsite to SMD1, May 2016 Progress Payment - ADDITIONAL SETTLEMENT	Open	029	\$ 1,151.29	\$ 1,151.29	\$ 1,151.29	\$ 1,151.29	\$ -
188.1		FO#016PS	268 321	SMD1	Synagro Digester Cleaning - ADDITIONAL SETTLEMENT	Open	029	\$ 15,060.26	\$ 15,060.26	\$ 15,060.26	\$ 15,060.26	\$ -
TOTAL								\$ 153,094.89	\$ 128,957.49	\$ 128,957.49	\$ 153,094.89	\$ -
TOTAL								\$ 12,000,793.00	\$ 10,983,678.06	\$ 10,960,749.03	\$ 11,534,624.27	\$ 260,626.52

Attachment D

Executed in Five (5) Counterparts

SECTION 00610

PERFORMANCE BOND

Know All Persons by These Presents:

Bond No: 105997354
Premium: \$115,627.00

THAT WHEREAS, the City of Lincoln awarded to Steve P. Rados, Inc. (the "Contractor") a contract dated as of November 19th, 2013 (the "Contract") for the following work: Midwestern Placer Regional Sewer Project: Regional and Reclamation Pipelines.

AND WHEREAS, the Contractor is required to furnish a bond in connection with the Contract guaranteeing the faithful performance thereof, which Contract is incorporated herein by this reference;

NOW, THEREFORE, We the undersigned Contractor and Surety, are held and firmly bound unto the City of Lincoln, in the sum of twenty million ninety two thousand and one hundred dollars (\$20,092,100), to be paid to the said City, its successors and assigns; for the payment of said sum in performance of said Contract, well and truly to be made, we bind ourselves, our heirs, executors and administrators, successors or assigns, jointly and severally, firmly by these presents.

The condition of this obligation is such that if the Contractor, its heirs, executors, administrators, successors or assigns shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and agreements in the Contract and any alteration thereof made as therein provided, on its part to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless the City of Lincoln, its officers, agents and other parties to be indemnified under the Contract, as therein stipulated, then this obligation shall become and be null and void; OTHERWISE, it shall be and remain in full force and effect.

In case suit is brought upon this bond, the Surety shall pay all court costs, expenses and the reasonable attorney's fees fixed by the court in the event the claimant is deemed to be the prevailing party.

The Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Contract or the work to be performed thereunder or the specifications accompanying the same shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the contract or to the work or to the specifications.

The attached "Dual Obligatee Rider" is incorporated as part of this bond.

IN WITNESS WHEREOF, we have hereunto set our hands and seals on this 16th day of
December, 2013.

CONTRACTOR:

Steve P. Rados, Inc.
By: [Signature]
Walter S. Rados
Its: Co-President

SURETY:

Travelers Casualty and Surety Company of America
By: [Signature]
Heather Saltarelli
Its: Attorney-in-Fact

Address of Surety for Service of Notice and/or Process

21688 Gateway Center Drive, Diamond Bar, CA 91765

Surety California Secretary of State Corporation Number: C1091125

Contractor Secretary of State Corporation Number: C1360333

NOTE: Signatures of Contractor and Surety must be notarized, and signature of surety must be accompanied by a duly authorized power of attorney if executing as attorney-in-fact.

END OF SECTION

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Orange

On 12/16/2013 before me, K. Luu, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Heather Saltarelli
Name(s) of Signer(s)



who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that ~~he~~/she/~~they~~ executed the same in ~~his~~/her/~~their~~ authorized capacity(~~ies~~), and that by ~~his~~/her/~~their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Place Notary Seal Above

Signature [Signature]
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- ☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☒ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

RIGHT THUMBPRINT
OF SIGNER
Top of thumb here

Signer Is Representing: _____

Signer's Name: _____

- ☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

RIGHT THUMBPRINT
OF SIGNER
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Signer Is Representing: _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

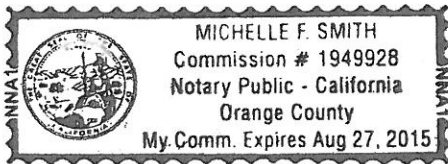
State of California

County of Orange

On December 17, 2013 before me, Michelle F. Smith, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Walter S. Rados
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: Michelle F. Smith
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: 1 of 5 counterparts, Section 00610 Performance Bond, Bond No.105997354

Document Date: 16 December 2013 Number of Pages: 2

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

☐ Corporate Officer — Title(s): _____

☐ Individual

☐ Partner — ☐ Limited ☐ General

☐ Attorney in Fact

☐ Trustee

☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT
OF SIGNER
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Signer's Name: _____

☐ Corporate Officer — Title(s): _____

☐ Individual

☐ Partner — ☐ Limited ☐ General

☐ Attorney in Fact

☐ Trustee

☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT
OF SIGNER
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DUAL OBLIGEE RIDER

3.9

(To be attached to Performance Bond at time of Issuance)

TO BE ATTACHED TO AND FORM PART OF Bond No. 105997354, dated concurrently with the execution of this Rider, by Travelers Casualty and Surety Company of America, as Surety, on behalf of Steve P. Rados, Inc., as Contractor, and in favor of the City of Lincoln ("Primary Obligee") and the County of Placer ("Additional Obligee"), as Obligees.

IT IS HEREBY UNDERSTOOD AND AGREED that the performance bond to which this Rider is attached ("Bond") is hereby amended to include the following:

1. Notwithstanding anything contained in the Bond to the contrary, but subject to section 3 below, there shall be no liability on the part of the Surety under this Bond to the Obligees, or either of them, unless the Obligees, or either of them, shall make payments to the Principal, or to the Surety in case it arranges for completion of the Contract upon default of the Principal, as required under the Contract and this Rider, and shall perform all the other obligations required to be performed under said Contract at the time and in the manner therein set forth.
2. The Additional Obligee is an obligee of the Bond and shall have the right to enforce the Bond against the Surety. If the Additional Obligee notifies the Surety in writing that the Additional Obligee has taken the Contract by assignment, then the Primary Obligee's interest in the Bond will cease, the Surety will deal with the Additional Obligee rather than the Primary Obligee on all matters relating to this Bond, and the Surety will make any payments to the Additional Obligee rather than the Primary Obligee. No knowledge, acts or omissions of the Primary Obligee will be imputed to the Additional Obligee.
3. a. Prior to the Surety asserting any defense to enforcement of the Bond arising out of or related to the failure of the Primary Obligee to fulfill an obligation under the Contract, the Surety shall give written notice to the Additional Obligee of the alleged defense(s) and the underlying facts and circumstances supporting such alleged defense(s). Failure of the Surety to provide such written notice within twenty calendar days of the Additional Obligee's demand for Surety to perform under the Bond will constitute a waiver by the Surety of any defense to enforcement of the Bond by the Additional Obligee.

b. For purposes of this Bond, the Additional Obligee shall have the right to cure any alleged failures of the Primary Obligee to fulfill Primary Obligee's obligations under the Contract, with or without a reservation of rights to dispute the Surety's defense(s) to enforcement of this Bond. Provided the Additional Obligee has reasonably cured any material failure of the Primary Obligee to fulfill its obligations under the Contract, with or without a reservation of rights, the Surety will promptly proceed to fulfill the Surety's obligations under the Bond.

c. If the Additional Obligee reasonably cures any material failure of the Primary Obligee to fulfill its obligations under the Contract under a reservation of rights, then after the work required under the Contract has been completed in accordance with the Contract's requirements, the Additional Obligee may bring an action against the Surety to determine the validity of the Surety's defenses to the enforcement of the Bond alleged to the Additional Obligee and recover any damages allowed under law, subject to the overall penal sum of the Bond.

4. In no event shall the liability of the Surety to the Obligees, or either of them, in the aggregate, exceed the penal sum of the Bond.

5. Nothing contained in this Rider shall be held to change, alter or vary the terms of the attached Bond except as set forth hereinabove. In the event of a conflict between the Bond and this Rider, the parties agree that this Rider shall govern and control. All references to the Bond, either in the Bond or in this Rider, shall include and refer to the Bond as supplemented and amended by this Rider. Except as provided by this Rider, all other terms and conditions of the Bond remain in full force and effect.

This Rider may be executed in two or more counterparts, each of which shall be deemed an original, but which together shall constitute one and same instrument.

SIGNED, SEALED AND DATED this 16th day of December 2013.

CONTRACTOR: Steve P. Rados, Inc.

Signature: Walter S. Rados

Walter S. Rados
Co-President

Name and Title: _____

SURETY: Travelers Casualty and Surety Company of America

Signature: Heather Saltarelli

Heather Saltarelli
Attorney-in-Fact

NOTE: Signatures of Contractor and Surety must be notarized, and signature of surety must be accompanied by a duly authorized power of attorney if executing as attorney-in-fact.

Agreed to and accepted by:

PRIMARY OBLIGEE:

Signature: _____

Name and Title: _____

City of Lincoln
600 Sixth Street
Lincoln, CA 95648

ADDITIONAL OBLIGEE:

Signature: _____

Name and Title: _____

Notice Address:

The County of Placer
c/o Risk Management
145 Fulweiler Avenue Suite #100
Auburn CA 95603

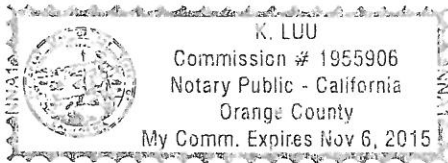
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Orange

On 12/16/2013 before me, K. Luu, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Heather Saltarelli
Name(s) of Signer(s)



who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that ~~he~~/she/~~they~~ executed the same in ~~his~~/her/~~their~~ authorized capacity(~~ies~~), and that by ~~his~~/her/~~their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Place Notary Seal Above

Signature [Signature]
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- ☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☒ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT
OF SIGNER
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Signer's Name: _____

- ☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT
OF SIGNER
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CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

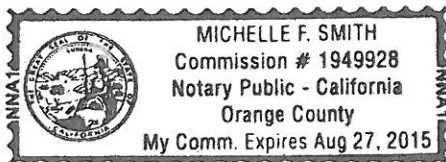
State of California

County of Orange

On December 17, 2013 before me, Michelle F. Smith, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Walter S. Rados
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: Michelle F. Smith
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document 1 of 5 counterparts

Title or Type of Document: Dual Obligor Rider (to be attached to Performance Bond No.105997354)

Document Date: 16 December 2013 Number of Pages: 2

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

☐ Corporate Officer — Title(s): _____

☐ Individual

☐ Partner — ☐ Limited ☐ General

☐ Attorney in Fact

☐ Trustee

☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT
OF SIGNER
Top of thumb here

Signer's Name: _____

☐ Corporate Officer — Title(s): _____

☐ Individual

☐ Partner — ☐ Limited ☐ General

☐ Attorney in Fact

☐ Trustee

☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT
OF SIGNER
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Attachment E

Executed in Five (5) Counterparts

SECTION 00615

PAYMENT BOND

Know All Persons by These Presents:

Bond No: 105997354
Premium: Included in Performance Bond

THAT WHEREAS, the City of Lincoln awarded to Steve P. Rados, Inc. (the "Contractor") a contract dated as of November 19th, 2013 (the "Contract") for the following work: Midwestern Placer Regional Sewer Project; Regional and Reclamation Pipelines.

AND WHEREAS, said Contractor is required by the Contract and the provisions of Chapter 5 (commencing with Section 9550) of Title 3, Part 6, Division 4, of the Civil Code, to furnish a bond in connection with said Contract, which Contract is incorporated herein by this reference;

NOW, THEREFORE, We, the undersigned Contractor and Surety are held and firmly bound unto the City of Lincoln, its successors and assigns in the sum of twenty million ninety two thousand and one hundred dollars (\$20,092,100), for which payment well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents,

The condition of this obligation is such that if said Contractor, its heirs, executors, administrators, successors or assigns, or subcontractors, shall fail to pay for any materials, provisions, equipment or other supplies or teams, implements or machinery used in, upon, or for the performance of the work of the Contract, or for any work or labor thereon of any kind, or for amounts due under the Unemployment Insurance Act with respect to such work or labor, as required by the provisions of Chapter 5 (commencing with Section 9550) of Title 3, Part 6, Division 4, of the Civil Code, and provided that the claimant shall have complied with the provisions of said Code, the Surety hereon will pay for the same in an amount not exceeding the sum specified in this bond; OTHERWISE, the above obligation shall be void.

In case suit is brought upon this bond, the Surety will pay all court costs, expenses and the reasonable attorney's fees fixed by the court in the event the claimant is deemed to be the prevailing party. This bond shall insure to the benefit of any and all persons, companies or corporations entitled to file claims under section 9100 of the Civil Code, so as to give a right of action to them or their assigns in any suit brought upon this bond.

The Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the contract or to the work to be performed thereunder or the specifications accompanying the same shall in any wise affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Contract or to the work or to the specifications.

IN WITNESS WHEREOF, we have hereunto set our hands and seals on this 16th day of
December, 2013.

CONTRACTOR:

Steve P. Rados, Inc.

By: 

Walter S. Rados

Its: Co-President

SURETY:

Travelers Casualty and Surety Company of America

By: 

Heather Saltarelli

Its: Attorney-in-Fact

Address of Surety for Service of Notice and/or Process

21688 Gateway Center Drive, Diamond Bar, CA 91765

Surety California Secretary of State Corporation Number: C1091125

Contractor Secretary of State Corporation Number: C1360333

NOTE: Signatures of Contractor and Surety must be notarized, and signature of surety must be accompanied by a duly authorized power of attorney if executing as attorney-in-fact.

END OF SECTION

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Orange

On 12/16/2013

Date

before me, K. Luu, Notary Public

Here Insert Name and Title of the Officer

personally appeared

Heather Saltarelli

Name(s) of Signer(s)



Place Notary Seal Above

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that ~~he~~/she/~~they~~ executed the same in ~~his~~/her/~~their~~ authorized capacity(~~ies~~), and that by ~~his~~/her/~~their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____

Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- ☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☒ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT
OF SIGNER
Top of thumb here

Signer's Name: _____

- ☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT
OF SIGNER
Top of thumb here

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

State of California

County of Orange

On December 17, 2013 before me, Michelle F. Smith, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Walter S. Rados
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: Michelle F. Smith
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document 1 of 5 counterparts,

Title or Type of Document: Section 00615 Payment Bond, Bond No. 105997354

Document Date: 16 December 2013 Number of Pages: 2

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____ Signer's Name: _____

☐ Corporate Officer — Title(s): _____ ☐ Corporate Officer — Title(s): _____

☐ Individual ☐ Individual

☐ Partner — ☐ Limited ☐ General ☐ Partner — ☐ Limited ☐ General

☐ Attorney in Fact ☐ Attorney in Fact

☐ Trustee ☐ Trustee

☐ Guardian or Conservator ☐ Guardian or Conservator

☐ Other: _____ ☐ Other: _____

Signer Is Representing: _____ Signer Is Representing: _____

RIGHT THUMBPRINT
OF SIGNER
Top of thumb here

RIGHT THUMBPRINT
OF SIGNER
Top of thumb here



EVIDENCE OF PROPERTY INSURANCE

DATE (MM/DD/YYYY)
12/16/2013

THIS EVIDENCE OF PROPERTY INSURANCE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE ADDITIONAL INTEREST NAMED BELOW. THIS EVIDENCE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS EVIDENCE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE ADDITIONAL INTEREST.

AGENCY Newport Beach-Alliant Insurance Services, Inc. 1301 Dove St Ste 200 Newport Beach, CA 92660		PHONE (A/C, No, Ext): 949-756-0271	COMPANY Houston Casualty Company	
FAX (A/C, No):	E-MAIL ADDRESS:			
CODE:	SUB CODE:			
AGENCY CUSTOMER ID #: STEVPRA-01				
INSURED The Rados Companies dba: Steve P. Rados, Inc. 2002 E McFadden Ave Ste 200 Santa Ana, CA 92705			LOAN NUMBER	POLICY NUMBER tbd
			EFFECTIVE DATE 01/15/2014	EXPIRATION DATE 03/15/2015
			<input type="checkbox"/> CONTINUED UNTIL TERMINATED IF CHECKED	
THIS REPLACES PRIOR EVIDENCE DATED:				

PROPERTY INFORMATION

LOCATION/DESCRIPTION Begins near the intersection of Highway 193 and Sierra College Blvd in Lincoln and ends at Joeger about 1/2 mile west of Highway 49. Reach 5 is not contiguous and begins at Katlett Road in Lincoln and ends at Fiddymont Road in Auburn. City of Lincoln, in Placer County, CA
THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS EVIDENCE OF PROPERTY INSURANCE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

COVERAGE INFORMATION

COVERAGE / PERILS / FORMS	AMOUNT OF INSURANCE	DEDUCTIBLE
Builders Risk (hard cost + supplied materials)	20,092,100	50,000
Property In Transit	250,000	50,000
Property Offsite	250,000	50,000
Trees, Shrubs, Plants and Landscaping materials	1,000,000	50,000
Debris Removal	2,000,000	50,000
Windstorm -Named windstorm/windstorm other than named windstorm	20,092,100	50,000
Earthquake	20,092,100	5%, *
Water Dmager other than Flood	Incl.	250,000

REMARKS (Including Special Conditions)

* Earthquake Deductible is 5% of the TIV at risk subject to \$100,000 minimum. Earthquake coverage is applicable to zone 1, 2, and 3 in CA.
The City of Lincoln, Placer County and the State of California are included as additional insured as respects to General Liability and Automobile policies on a primary and non-contributing basis. A Waiver of subrogation is applicable on the General Liability and Workers Compensation policies where required by a written contract

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

ADDITIONAL INTEREST

NAME AND ADDRESS The City of Lincoln 600 Sixith Street Lincoln CA 95648	MORTGAGEE	ADDITIONAL INSURED
	LOSS PAYEE	
	LOAN #	
	AUTHORIZED REPRESENTATIVE <i>Diane Meller</i>	

468

Attachment F

STEVE P. RADOS, INC.

Engineering Contractors



September 16, 2016

Telephone: (714) 835-4612

Facsimile: (714) 835-2186

**West Yost Associates
2020 Research Park Drive, Suite 100
Davis, CA 95618**

Attn: Mr. Jack Harbour

**Re: City of Lincoln
Midwestern Placer Regional Sewer Project
Regional and Reclamation Pipelines- Project No. 184030298
SPR Job No. 704- Log No. 327**

Subject: Guarantee bond and insurance

Dear Mr. Harbour:

Enclosed, please find copies of the guarantee bond and insurance required to be provided prior to final payment. This includes the one year guarantee maintenance bond and the completed operations insurance certificate. Also, included is a letter from our Broker explaining the coverage of the continued operations insurance. Please review these documents and let us know if you have any questions or need additional information.

Respectfully,
Steve P. Rados, Inc.

Jeff Peel
Vice President-Northern California Division

Enclosures:

cc: SA, CA, NC, FF

Bond No. 105997354

MAINTENANCE BOND

KNOW ALL MEN BY THESE PRESENTS, that we

Steve P. Rados, Inc., hereinafter
called Principal, as Principal, and Travelers Casualty and Surety Company of America, a corporation of the State of
Connecticut, hereinafter called Surety, as Surety, are
held and firmly bound unto

City of Lincoln and The County of Placer
hereinafter called Oblige in the sum of an amount equal to the final amount of the Contract
DOLLARS, (\$) lawful money of the United States of America, to be paid to the said Oblige, or its successors or assigns, the payment of which sum well and truly to be made, we do bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

SIGNED, sealed and dated this 15th day of September, 2016

WHEREAS, the Principal entered into a contract with the said Oblige, dated November 19, 2013

for The Midwestern Placer Regional Sewer Project

and,
WHEREAS, the Oblige requires that these presents be executed on or before the final completion and acceptance of said contract.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, that if the Principal shall

remedy, without cost to the Oblige, any defects which may develop during a period of One (1) year
from the date of completion and acceptance of the work performed under the contract, caused by defective or inferior materials or workmanship, then this obligation shall be void; otherwise it shall be and remain in full force and effect.

ATTEST:

Michael P. Higley
Kim Luu, Witness

Steve P. Rados, Inc.
Principal
By: [Signature]
Travelers Casualty and Surety Company of America
By: [Signature]
Heather Saltarelli, Attorney-in-Fact

CON80010CA0201f

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

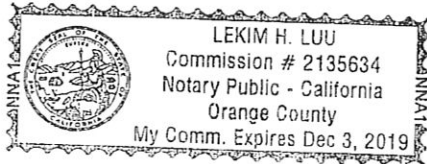
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Orange)
On SEP 15 2016 before me, Lekim H. Luu, Notary Public
Date Here Insert Name and Title of the Officer
personally appeared Heather Saltarelli
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature [Signature]
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____ Document Date: _____
Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Individual ☒ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator
☐ Other: _____
Signer Is Representing: _____

Signer's Name: _____
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator
☐ Other: _____
Signer Is Representing: _____



POWER OF ATTORNEY

Farmington Casualty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
St. Paul Fire and Marine Insurance Company
St. Paul Guardian Insurance Company

St. Paul Mercury Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
United States Fidelity and Guaranty Company

Attorney-In Fact No. 230992

Certificate No. 006959195

KNOW ALL MEN BY THESE PRESENTS: That Farmington Casualty Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company are corporations duly organized under the laws of the State of Connecticut, that Fidelity and Guaranty Insurance Company is a corporation duly organized under the laws of the State of Iowa, and that Fidelity and Guaranty Insurance Underwriters, Inc., is a corporation duly organized under the laws of the State of Wisconsin (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint

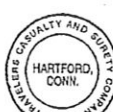
Jeri Apodaca, Rhonda C. Abel, Kim Luu, Mike Parizino, Rachelle Rheault, James A. Schaller, Heather Saltarelli, Maria Guise, and T. Craig Williams

of the City of Newport Beach, State of California, their true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign, execute, seal and acknowledge any and all bonds, recognizances, conditional undertakings and other writings obligatory in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed and their corporate seals to be hereto affixed, this 29th day of August, 2016.

Farmington Casualty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
St. Paul Fire and Marine Insurance Company
St. Paul Guardian Insurance Company

St. Paul Mercury Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
United States Fidelity and Guaranty Company



State of Connecticut
City of Hartford ss.

By:

Robert L. Raney, Senior Vice President

On this the 29th day of August, 2016, before me personally appeared Robert L. Raney, who acknowledged himself to be the Senior Vice President of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, and that he, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

In Witness Whereof, I hereunto set my hand and official seal.
My Commission expires the 30th day of June, 2021.



Marie C. Tetreault
Marie C. Tetreault, Notary Public

This Power of Attorney is granted under and by the authority of the following resolutions adopted by the Boards of Directors of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, which resolutions are now in full force and effect, reading as follows:

RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the Company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her; and it is

FURTHER RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary; and it is

FURTHER RESOLVED, that any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority; and it is

FURTHER RESOLVED, that the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any Power of Attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such Power of Attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding on the Company in the future with respect to any bond or understanding to which it is attached.

I, Kevin E. Hughes, the undersigned, Assistant Secretary, of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which is in full force and effect and has not been revoked.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this SEP 15 2016 day of SEP 15 2016, 20 2016.

WARNING: THIS POWER OF ATTORNEY IS INVALID WITHOUT THE RED BORDER

Kevin E. Hughes
Kevin E. Hughes, Assistant Secretary



To verify the authenticity of this Power of Attorney, call 1-800-421-3880 or contact us at www.travelersbond.com. Please refer to the Attorney-In-Fact number, the above-named individuals and the details of the bond to which the power is attached.



September 15, 2016

City of Lincoln
Attn: David C. Lee, P.E., Program Manager
600 Sixth Street
Lincoln, CA 95648

Re: Mid-Western Placer Regional Sewer Project (Rados Job #704)

To Whom It May Concern:

Alliant Insurance Services is the insurance Broker for Steve P Rados. We provide and review all needed coverages. Please note that completed operations coverage is part of their insurance program and will provide protection for the above captioned project.

This coverage is renewed on an annual basis, and will be maintained in accordance with the insurance requirements for Lincoln (etc.) A certificate of insurance will be provided to you on an annual basis evidencing compliance.

Should you have any questions or need additional information please do not hesitate to call us.

Sincerely,

A handwritten signature in cursive script that reads 'Diane Weller'.

Diane Weller
Vice President
Alliant Insurance Services, Inc.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
3/29/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Alliant Insurance Services, Inc.
1301 Dove Street, Suite 200
Newport Beach CA 92660-2436

CONTACT NAME: Cheri McClain

PHONE (A/C, No, Ext):

FAX (A/C, No):

E-MAIL ADDRESS: CMcClain@alliant.com

INSURED
The Rados Companies
dba: Steve P. Rados, Inc.
2002 E McFadden
Santa Ana CA 92705

INSURER(S) AFFORDING COVERAGE

NAIC #

INSURER A: AXIS Surplus Insurance Company

26620

INSURER B: Great American E&S Insurance Company

37532

INSURER C: Zurich American Insurance Company

16535

INSURER D: American Guarantee and Liability In

26247

INSURER E: Travelers Property Casualty Co of A

25674

INSURER F:

COVERAGES

CERTIFICATE NUMBER: 1682835583

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
C	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY			GLO 0113180-01	4/1/2016	4/1/2017	EACH OCCURRENCE \$2,000,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence) \$300,000
							MED EXP (Any one person) \$10,000
							PERSONAL & ADV INJURY \$2,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE \$4,000,000
	<input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input type="checkbox"/> LOC						PRODUCTS - COMP/OP AGG \$4,000,000
	OTHER:						\$
C	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY			BAP 0113179-01	4/1/2016	4/1/2017	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000
	<input checked="" type="checkbox"/> ANY AUTO						BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS		<input type="checkbox"/> SCHEDULED AUTOS				BODILY INJURY (Per accident) \$
	<input checked="" type="checkbox"/> HIRED AUTOS		<input checked="" type="checkbox"/> NON-OWNED AUTOS				PROPERTY DAMAGE (Per accident) \$
							Medical Payment \$5,000
D	<input checked="" type="checkbox"/> UMBRELLA LIAB		<input checked="" type="checkbox"/> OCCUR	AUC011318301	4/1/2016	4/1/2017	EACH OCCURRENCE \$25,000,000
E	<input checked="" type="checkbox"/> EXCESS LIAB		<input type="checkbox"/> CLAIMS-MADE	ZUP-12T79030-16-NF	4/1/2016	4/1/2017	AGGREGATE \$25,000,000
	DED		RETENTION \$				Each Occur/ Agg \$10,000,000
C	<input checked="" type="checkbox"/> WORKERS COMPENSATION AND EMPLOYERS' LIABILITY			WC 0113182-01	4/1/2016	4/1/2017	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)		<input type="checkbox"/> Y <input checked="" type="checkbox"/> N				E.L. EACH ACCIDENT \$1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE \$1,000,000
							E.L. DISEASE - POLICY LIMIT \$1,000,000
A	<input checked="" type="checkbox"/> Professional			ELZ766531/01/2016	4/1/2016	4/1/2017	Prof. Ea. Claim \$5,000,000
B	<input checked="" type="checkbox"/> Pollution			CSE 1849713 05	4/1/2016	4/1/2017	Poll. per occur. \$20,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

The City of Lincoln, Placer County and the State of California and Stantec are included as additional insured as respects to General Liability and Automobile policies on a primary and non-contributing basis. A Waiver of subrogation is applicable on the General Liability and Workers Compensation policies where required by a written contract.

CERTIFICATE HOLDER

CANCELLATION 30 Days

The City of Lincoln
600 Sixth Street
Lincoln CA 95648

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Alaine Weller

Additional Insured – Automatic – Owners, Lessees Or Contractors



Policy No.	Eff. Date of Pol.	Exp. Date of Pol.	Eff. Date of End.	Producer No.	Add'l. Prem.	Return Prem.
GLO 0113180-01	4/1/2016	4/1/2017	4/1/2016			

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Named Insured: The Rados Companies, dba: Steve P. Rados, Inc.

Address (including ZIP Code): 2002 E McFadden
Santa Ana CA 92705

This endorsement modifies insurance provided under the:

Commercial General Liability Coverage Part

A. Section II – Who Is An Insured is amended to include as an additional insured any person or organization whom you are required to add as an additional insured on this policy under a written contract or written agreement. Such person or organization is an additional insured only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf,

in the performance of your ongoing operations or "your work" as included in the "products-completed operations hazard", which is the subject of the written contract or written agreement.

However, the insurance afforded to such additional insured:

1. Only applies to the extent permitted by law; and
2. Will not be broader than that which you are required by the written contract or written agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusion applies:

This insurance does not apply to:

"Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or failure to render, any professional architectural, engineering or surveying services including:

- a. The preparing, approving or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
- b. Supervisory, inspection, architectural or engineering activities.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved the rendering of or the failure to render any professional architectural, engineering or surveying services.

- C. The following is added to Paragraph 2. Duties In The Event Of Occurrence, Offense, Claim Or Suit of Section IV – **Commercial General Liability Conditions**:

The additional insured must see to it that:

1. We are notified as soon as practicable of an "occurrence" or offense that may result in a claim;
2. We receive written notice of a claim or "suit" as soon as practicable; and
3. A request for defense and indemnity of the claim or "suit" will promptly be brought against any policy issued by another insurer under which the additional insured may be an insured in any capacity. This provision does not apply to insurance on which the additional insured is a Named Insured if the written contract or written agreement requires that this coverage be primary and non-contributory.

- D. For the purposes of the coverage provided by this endorsement:

1. The following is added to the Other Insurance Condition of Section IV – **Commercial General Liability Conditions**:

Primary and Noncontributory insurance

This insurance is primary to and will not seek contribution from any other insurance available to an additional insured provided that:

- a. The additional insured is a Named Insured under such other insurance; and
 - b. You are required by written contract or written agreement that this insurance be primary and not seek contribution from any other insurance available to the additional insured.
2. The following paragraph is added to Paragraph 4.b. of the Other Insurance Condition of Section IV – **Commercial General Liability Conditions**:

This insurance is excess over:

Any of the other insurance, whether primary, excess, contingent or on any other basis, available to an additional insured, in which the additional insured on our policy is also covered as an additional insured on another policy providing coverage for the same "occurrence", offense, claim or "suit". This provision does not apply to any policy in which the additional insured is a Named Insured on such other policy and where our policy is required by a written contract or written agreement to provide coverage to the additional insured on a primary and non-contributory basis.

- E. This endorsement does not apply to an additional insured which has been added to this policy by an endorsement showing the additional insured in a Schedule of additional insureds, and which endorsement applies specifically to that identified additional insured.

- F. With respect to the insurance afforded to the additional insureds under this endorsement, the following is added to Section III – **Limits Of Insurance**:

The most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the written contract or written agreement referenced in Paragraph A. of this endorsement; or
2. Available under the applicable Limits of Insurance shown in the Declarations, whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

All other terms and conditions of this policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DESIGNATED CONSTRUCTION PROJECT(S) GENERAL AGGREGATE LIMIT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Designated Construction Project(s):

WHERE REQUIRED BY WRITTEN CONTRACT.

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

- A.** For all sums which the insured becomes legally obligated to pay as damages caused by "occurrences" under Section I – Coverage A, and for all medical expenses caused by accidents under Section I – Coverage C, which can be attributed only to ongoing operations at a single designated construction project shown in the Schedule above:
1. A separate Designated Construction Project General Aggregate Limit applies to each designated construction project, and that limit is equal to the amount of the General Aggregate Limit shown in the Declarations.
 2. The Designated Construction Project General Aggregate Limit is the most we will pay for the sum of all damages under Coverage A, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard", and for medical expenses under Coverage C regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought; or
 - c. Persons or organizations making claims or bringing "suits".
 3. Any payments made under Coverage A for damages or under Coverage C for medical expenses shall reduce the Designated Construction Project General Aggregate Limit for that designated construction project. Such payments shall not reduce the General Aggregate Limit shown in the Declarations nor shall they reduce any other Designated Construction Project General Aggregate Limit for any other designated construction project shown in the Schedule above.
 4. The limits shown in the Declarations for Each Occurrence, Damage To Premises Rented To You and Medical Expense continue to apply. However, instead of being subject to the General Aggregate Limit shown in the Declarations, such limits will be subject to the applicable Designated Construction Project General Aggregate Limit.

- B.** For all sums which the insured becomes legally obligated to pay as damages caused by "occurrences" under Section I – Coverage **A**, and for all medical expenses caused by accidents under Section I – Coverage **C**, which cannot be attributed only to ongoing operations at a single designated construction project shown in the Schedule above:
1. Any payments made under Coverage **A** for damages or under Coverage **C** for medical expenses shall reduce the amount available under the General Aggregate Limit or the Products-completed Operations Aggregate Limit, whichever is applicable; and
 2. Such payments shall not reduce any Designated Construction Project General Aggregate Limit.
- C.** When coverage for liability arising out of the "products-completed operations hazard" is provided, any payments for damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard" will reduce the Products-completed Operations Aggregate Limit, and not reduce the General Aggregate Limit nor the Designated Construction Project General Aggregate Limit.
- D.** If the applicable designated construction project has been abandoned, delayed, or abandoned and then restarted, or if the authorized contracting parties deviate from plans, blueprints, designs, specifications or timetables, the project will still be deemed to be the same construction project.
- E.** The provisions of Section III – Limits Of Insurance not otherwise modified by this endorsement shall continue to apply as stipulated.

Waiver Of Subrogation (Blanket) Endorsement



Policy No.	Eff. Date of Pol.	Exp. Date of Pol.	Eff. Date of End.	Producer	Add'l. Prem.	Return Prem.
GLO 0113180-01	4/1/2016	4/1/2017	4/1/2016		\$	\$

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the:

Commercial General Liability Coverage Part

The following is added to the **Transfer Of Rights Of Recovery Against Others To Us Condition**:

If you are required by a written contract or agreement, which is executed before a loss, to waive your rights of recovery from others, we agree to waive our rights of recovery. This waiver of rights shall not be construed to be a waiver with respect to any other operations in which the insured has no contractual interest.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DESIGNATED INSURED FOR COVERED AUTOS LIABILITY COVERAGE

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by this endorsement.

This endorsement identifies person(s) or organization(s) who are "insureds" for Covered Autos Liability Coverage under the Who Is An Insured provision of the Coverage Form. This endorsement does not alter coverage provided in the Coverage Form.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Named Insured: The Rados Companies, dba: Steven P. Rados, Inc.

Endorsement Effective Date: 4/1/2016

SCHEDULE

Name Of Person(s) Or Organization(s):

WHERE REQUIRED BY WRITTEN CONTRACT.

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

Each person or organization shown in the Schedule is an "insured" for Covered Autos Liability Coverage, but only to the extent that person or organization qualifies as an "insured" under the Who Is An Insured provision contained in Paragraph A.1. of Section II – Covered Autos Liability Coverage in the Business Auto and Motor Carrier Coverage Forms and Paragraph D.2. of Section I – Covered Autos Coverages of the Auto Dealers Coverage Form.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US (WAIVER OF SUBROGATION)

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Named Insured: The Rados Companies, dba: Steve P. Rados, Inc.

Endorsement Effective Date: 4/1/2016

SCHEDULE

Name(s) Of Person(s) Or Organization(s):

WHERE REQUIRED BY WRITTEN CONTRACT.

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The **Transfer Of Rights Of Recovery Against Others To Us** condition does not apply to the person(s) or organization(s) shown in the Schedule, but only to the extent that subrogation is waived prior to the "accident" or the "loss" under a contract with that person or organization.

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

This agreement shall not operate directly or indirectly to benefit anyone not named in the Schedule.

Schedule

WHERE REQUIRED BY WRITTEN CONTRACT.

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective Policy No. WC 0113182-01 Endorsement No.

Insured The Rados Companies, dba: Steve P. Rados, Inc. Premium \$

Insurance Company Zurich American Insurance Company Countersigned by _____



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CITY COUNCIL REPORT

SUBJECT: Extension of Agreement for Purchase and Assignment of Conservation Easement by and between City and Lewis (Lincoln Land Holdings, LLC)

SUBMITTED BY: Matthew J. Wheeler, CDD Director

DEPARTMENT: Community Development

DATE: December 13, 2016

STRATEGIC RELEVANCE: Economic Development and Infrastructure

STAFF RECOMMENDATION(S):

Staff recommends the City Council authorize the City Manager to execute an extension of the Agreement for the Purchase and Assignment of Conservation Easement by and between the City of Lincoln (Seller) and Lincoln Land Holdings, LLC (Buyer); regarding 162± acres of City owned land located north of the WWTRF for the development of a mitigation resource area pursuant to a conservation easement.

BACKGROUND / INTRODUCTION:

As shown in Exhibit A-1 of the attached *Agreement For The Purchase And Assignment Of Conservation Easement* ("Agreement"), the City owns 220 acres north of the Wastewater Treatment and Reclamation Facility (WWTRF) that is in excess of what is necessary for the facility's future expansion. The property is bounded by Moore Road on the north, the Village 7 Specific Plan Area to the East, the existing WWTRF to the south, and Fiddymont Road to the west. The proposed 162± acre Conservation Easement is flanked (on the north and west boundaries) by two 250-foot wide buffer areas that are to be set aside as future environmental impact zones when Moore Road and Fiddymont Road are permitted through the regulatory agencies for widening. The subject area has been identified in the Draft Placer County Conservation Plan (PCCP) as a potential resource mitigation area.

The Lewis Group of Companies has been working with the City since the summer of 2009 to develop the subject Property to its highest and best use as a mitigation resource area that would be available to meet the needs of the Village 7 Specific Plan Area development on the adjacent 500-acres.

In December of 2011, the City Council approved the purchase Agreement, which included the following components, in brief:

1. **Purchase and Assignment of Lease:** Pursuant to California Civil Code Section 815, *et seq.*, only tax exempt non-profit organizations qualified to do business in California having as its primary purpose the preservation, protection, or enhancement of land in its natural, scenic, historical, agricultural, forested, or open space condition can acquire a conservation easement. As provided for in Exhibits F-2 and Schedule 1, the purchase is structured for its assignment to a qualified Conservancy through escrow.

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2. **Maintenance of Conservation Easement:** As provided for in Exhibit F-1, the Buyer is financially responsible for coordinating and obtaining all regulatory agency approvals, setting up the conservation easement and implementing the Mitigation Plan. The Conservancy will be responsible for monitoring and inspection obligations relative to the Mitigation and Conservation Area. The Buyer is also responsible for any wetland enhancement or construction required by Agency Permits and yearly monitoring for the first five (5) years. It is the intent of the parties that the costs of the mitigation will be funded initially by the Buyer and later funded by an improvement district, landscape and lighting district, or community facilities district (CFD) funded by special taxes levied on future homebuyers within Village 7. The costs for setting up such a district will be funded by the Buyer.
3. **Appraisal Procedure:** The appraisal (paid by Buyer) procedure in Exhibit D provides for Lewis to pay the City the "Market Value" of the easement as determined by one or more appraisers selected by both the City and Lewis. Within thirty (30) days after receipt of the Buyers Closing Notice, the appraiser(s) will determine the highest and best use and then use a sales comparison approach to determine market value. As structured, the final market value of the easement will equal the difference between the easement property before recordation of the easement, less the market value of the easement property after recordation, plus 10% of the difference.
4. **Purchase / Escrow / Earnest Money:** The Agreement provides that the sale of the easement shall occur within thirty (30) days after Lewis begins any grading activity on the Village 7 property, but in no case longer than a period of five (5) years from the date the Agreement is executed. During the period of time the option is open, and on each anniversary of the effective date of the Agreement, the Buyer is required to deposit \$50,000 with the City. The deposits are to be applied toward the purchase price of the Easement. Should the Buyer opt out of the Agreement, the City may retain the deposit(s).

FINDINGS/ANALYSIS:

The Agreement was approved by City Council on December 13, 2011 by Resolution 2011-173. Lincoln Land Holdings, LLC (Lewis/Buyer) has not completed the purchase of this property due to the recent economic/development slow-down, which delayed the anticipated start of development in the Village 7 Specific Plan Area. The Agreement is set to expire this month unless an extension is granted by the City.

Lewis is requesting a three (3) year extension on the Agreement, which will provide time for them to perform the required steps in the Agreement in conjunction with an anticipated start of construction on the Village 7 development.

CONCLUSION:

Extension of the Agreement between the City and Lincoln Land Holdings, LLC will provide additional time for Lewis to perform the required steps in the Agreement, complete the purchase of the subject property, and assign a conservation easement. City staff supports this request and recommends approval of the extension.

ALTERNATIVES:

Alternatives for the City Council to consider include:

1. Approve extension of the Agreement;

2. Provide additional direction to staff.

FISCAL IMPACT:

Anticipated Positive: A preliminary appraisal has not been prepared for this property, thus the sales price range is not yet known. Any and all sale proceeds will be deposited in Wastewater PFE Fund 725 in accordance with the Agreement.

RELATED ACTIONS:

None

CITY MANAGER REVIEW OF CONTENT: MB

APPROVED AS TO LEGAL FORM: LZW

ATTACHMENTS:

1. Resolution 2016-____ Authorizing City Manager to Execute an Extension of the Agreement
2. Amendment No.1 to Agreement for the Purchase and Assignment of Conservation Easement
3. Exhibit A-1: Map of Easement Property and Conservation Areas
4. Agreement for the Purchase and Assignment of Conservation Easement

RESOLUTION NO 2016-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LINCOLN AUTHORIZING THE CITY MANAGER TO EXECUTE AMENDMENT NO. 1 TO AGREEMENT FOR THE PURCHASE AND ASSIGNMENT OF CONSERVATION EASEMENT BY AND BETWEEN THE CITY OF LINCOLN (SELLER) AND LINCOLN LAND HOLDINGS, LLC (BUYER); REGARDING 162± ACRES OF CITY OWNED LAND LOCATED NORTH OF WWTRF FOR THE DEVELOPMENT OF A MITIGATION RESOURCE AREA PURSUANT TO A CONSERVATION EASEMENT

WHEREAS, the City of Lincoln owns 220 acres of land located north of its wastewater treatment and recycling facility (WWTRF) which contains biological resources, vernal pools, and associated wetlands and has the potential to be used as a mitigation resource area; and

WHEREAS, Buyer owns an approximately five hundred (500) acre adjacent property (Village 7) which it plans to develop; and

WHEREAS, the proposed 162± acre Conservation Easement use is consistent with the WWTRF General Development Plan and the Draft Placer County Conservation Plan; and

WHEREAS, City of Lincoln has entered into an Agreement For The Purchase And Assignment Of Conservation Easement ("Agreement") by and between the City of Lincoln (Seller) and Lincoln Land Holdings, LLC (Buyer) on December 23, 2011 ("Effective Date" of the Agreement); and

WHEREAS, Section 1.02 of the Agreement requires that the Buyer deliver its Buyer Closing Notice within five (5) years from the Effective Date of the Agreement; and

WHEREAS, Buyer has requested to modify Section 1.02 of the Agreement to extend the outside date for Buyer to deliver its Buyer Closing Notice to (8) years after the Effective Date of the Agreement;

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF LINCOLN DOES RESOLVE AS FOLLOWS:

Section 1: The City is hereby authorized to execute the attached Amendment No. 1 to Agreement extending the requirement to deliver the Buyer Closing Notice from five (5) years to eight (8) years.

PASSED AND ADOPTED this 13th day of December, 2016 by the following vote:

AYES: COUNCILMEMBERS:

NOES; COUNCILMEMBERS:

ABSTAIN: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

Mayor

ATTEST:

Gwendolyn Scanlon, City Clerk

**AMENDMENT NO. 1 TO AGREEMENT FOR THE PURCHASE AND ASSIGNMENT
OF CONVERSATION EASEMENT
("Amendment")**

This Amendment is dated for reference purposes December __, 2016 and amends and supplements that certain Agreement for the Purchase and Assignment of Conversation Easement dated December 13, 2011 ("**Agreement**") by and between the City of Lincoln., a municipal corporation (the "**Seller**"), and Lincoln Land Holdings, LLC, a Delaware limited liability company (the "**Buyer**"). Seller and Buyer are sometimes individually called a "**Party**" and collectively called the "**Parties**." All capitalized terms used in this Amendment shall have the meaning given those terms in the Agreement unless otherwise defined herein.

RECITALS

A. Buyer has requested to modify Section 1.02 of the Agreement to extend the outside date for Buyer to deliver its Buyer Closing Notice from December 23, 2016 (5 years after the December 23, 2011 "Effective Date" of the Agreement) to December 23, 2019 (8 years after the Effective Date of the Agreement).

B. The Parties now desire to enter into this Amendment for the purpose of modifying the Agreement as hereinafter provided.

NOW, THEREFORE, in consideration of the mutual covenants and conditions hereinafter set forth, and other good and valuable consideration the receipt of which is hereby acknowledged by the Parties hereby agree to amend and supplement the Agreement as follows:

1. Closing Date: Section 1.02 of the Agreement is hereby amended by deleting the final 3 sentences of Section 1.02 and inserting the following in place thereof:

"Seller may terminate this Agreement by written notice to Buyer if the Buyer Closing Notice is not delivered to Seller within the earlier of (i) thirty (30) days after Buyer commences grading of the Project , or (ii) eight (8) years from the Effective Date. In the event of such termination, neither Party shall have any further rights or obligations under this Agreement. Upon receipt of the Buyer Closing Notice, Escrow Holder shall open an escrow for this Agreement (the "Escrow")."

2. Ratification. Except as expressly modified by this Amendment, the Agreement shall remain unmodified and continue in full force and effect.

3. Counterparts. This Amendment may be executed in multiple counterparts which together shall constitute the complete Amendment.

4. Authority to Execute Agreement. Each individual executing this Amendment on behalf of a Party, represents that he or she is duly authorized to execute and deliver this Amendment on behalf of that Party.

SIGNATURES FOLLOW IMMEDIATELY ON NEXT PAGE

EXECUTED by the Parties on the dates set forth below in multiple copies, each of which shall be deemed an original, and effective on last of the dates set forth below.

“Seller”

CITY OF LINCOLN,
a municipal corporation

By: _____
Name: _____
Title: City Manager

Dated: _____

“Buyer”

LINCOLN LAND HOLDINGS, LLC,
a Delaware limited liability company

By: LEWIS MANAGEMENT CORP.,
a Delaware corporation - Its Sole
Manager

By: _____
Name: John M. Goodman
Its: Exec VP/CEO/CFO

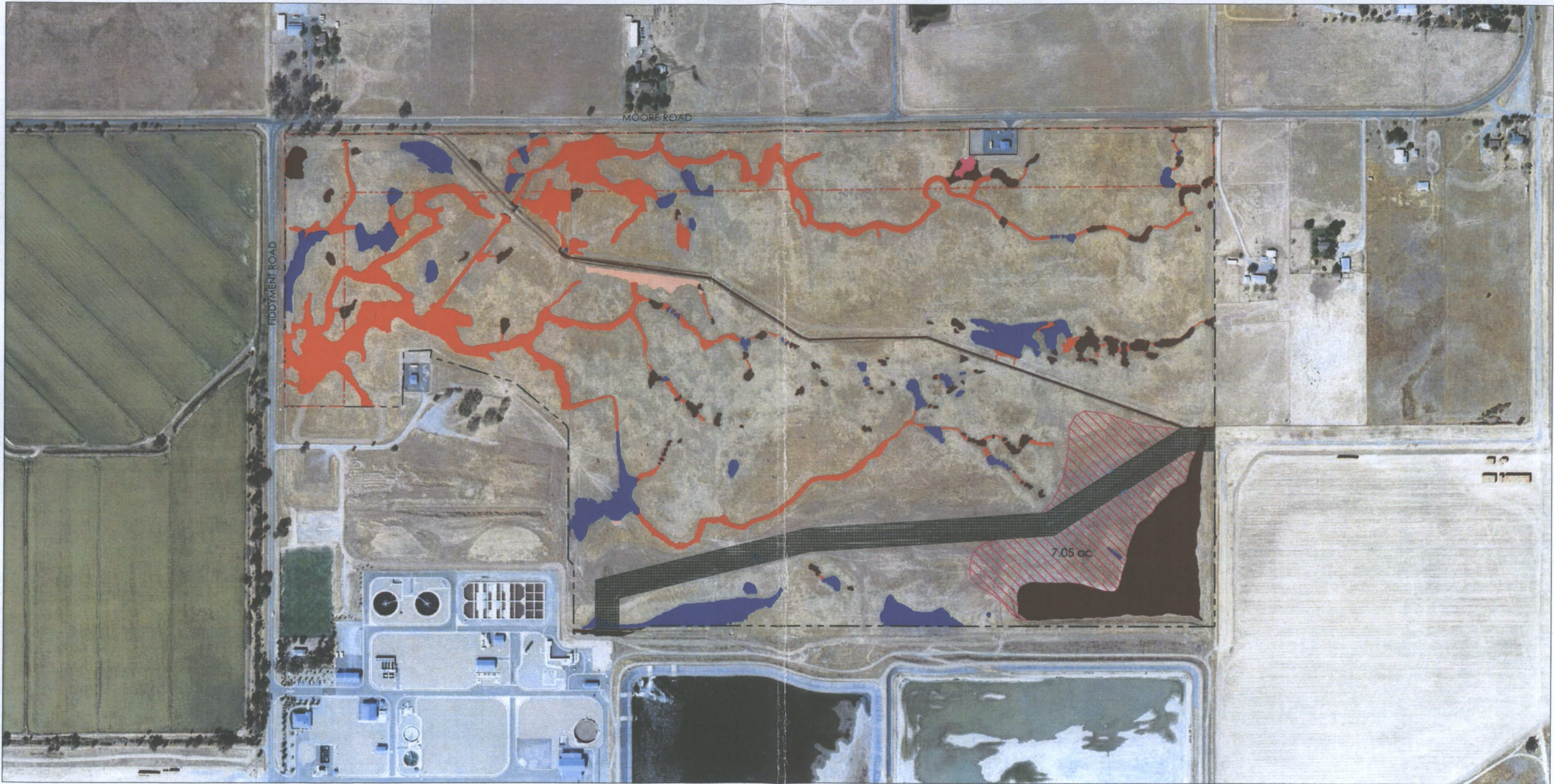
Dated: _____

ATTEST:

_____, City Clerk
Dated: _____

APPROVED AS TO FORM:

_____, City Attorney
Dated: _____

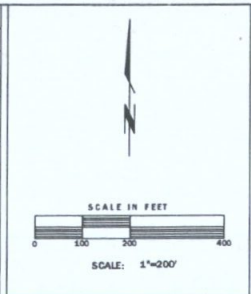


JOB NAME: City of Lincoln WWTRF
PROJECT NO: 2010-017
MAP SCALE: 1"=200'
DATE: 30 SEPTEMBER 2010
REVISION: 28 DECEMBER 2010
FILE NAME: LincolnWWTRF_PMA_v5.dwg

WATERS OF THE U.S. ACREAGE				
CLASSIFICATION	EXISTING ACREAGE	ROAD EASEMENT 250' BUFFER ACREAGE	SEWER EASEMENT ACREAGE	REMAINING ACREAGE
WETLANDS:				
Vernal Pool	5.833	1.097	0.078	4.358
Seasonal Wetland	7.566	0.856	0.082	6.628
Seasonal Wetland Swale	10.579	3.835	0.000	6.744
Marsh	0.106	0.106	0.000	0.000
Scrub	0.435	0.000	0.000	0.435
TOTAL:	24.218	5.893	0.160	18.365

OTHER FEATURES	
	Project Boundary
	250' Road Easement Buffer
	Potential Seasonal Wetland
	Potential Culvert
	Culvert
	Approximate Sewer Easement

NOTES
Gross project acreage ± 162
Aerial photo source: GlobeXplorer, September 2006
Acreages present a calculated estimation and are subject to modification during the Corps' verification process.
Sewer easement alignment should be considered approximate. The alignment has been interpreted from features visible on a referenced aerial image.



CITY OF LINCOLN WWTRF

CONCEPTUAL MITIGATION AREAS

DATE: 30 SEPTEMBER 2010	REVISION DATE: 28 DECEMBER 2010	PROJECT NUMBER: 2010-017
CAD SPECIALIST: NO	SCALE: 1"=200'	MAP NAME: LincolnWWTRF_PMA_v5.dwg
MAP LOCATION: N:\2010\2010-017 City of Lincoln WWTRF\MAPS\Wetland Restoration\Analysis\2010-09-30_Pot_Mit_Analysis		

ECORP Consulting, Inc.

ENVIRONMENTAL CONSULTANTS

Inland Empire
215 North 5th Street
Redlands, CA 92374
Ph: (909) 307-0046

Northwest California
2525 Warren Drive
Rocklin, CA 95677
Ph: (916) 782-9100

San Diego Region
3914 Murphy Canyon Rd.
Suite A232
San Diego, CA 92123
Ph: (858) 279-4040

Bay Area
1468 Harrison Street
Suite 303
San Francisco, CA 94103
Ph: (415) 553-4101

Orange County
1801 Park Court Place
Building B, Ste 103
Santa Ana, CA 92701
Ph: (714) 646-9630

Attachment 3: Exhibit A-1 Map of Easement Property and Conservation Areas

**AGREEMENT FOR THE PURCHASE AND ASSIGNMENT OF
CONSERVATION EASEMENT**

by and between the

City of Lincoln

and

Lincoln Land Holdings, LLC

dated _____, 2011

Table of Exhibits

Agreement for the Purchase and Assignment of Conservation Easement

- Exhibit A-1 Map of Easement Property and Conservation Areas
- Exhibit A-2 Legal Description of Seller Land
- Exhibit B Lewis Portion of Village 7 Specific Plan
- Exhibit C Agency Mitigation Requirements
- Exhibit D Appraisal Procedure
- Exhibit E Right of Entry Agreement
- Exhibit F-1 Conservation Easement Funding Management and Maintenance Agreement
 - Exhibit A Map of Easement Property and Conservation Areas
 - Exhibit A-1 Lewis Portion of Village 7 Specific Plan
 - Exhibit B Conservation Easement Deed
 - Exhibit C Agency Mitigation Requirements
 - Exhibit D Mitigation Plan
 - Exhibit E Maintenance Chart
 - Exhibit F Financing Plan
- Exhibit F-2 Easement Deed
 - Exhibit A Legal Description of Easement Property
 - Exhibit A-1 Lewis Portion of Village 7 Specific Plan
 - Exhibit B Map of Easement Property and Conservation Areas
- Exhibit G Temporary Construction License
 - Exhibit A Legal Description of Easement Property
 - Exhibit B Agency Mitigation Requirements
- Exhibit H Title Report
- Schedule I List of Possible Grantees

**AGREEMENT
FOR THE PURCHASE AND ASSIGNMENT OF CONSERVATION EASEMENT**

This Agreement for the Purchase and Assignment of Conservation Easement ("Agreement") is dated _____, 2011, and made and entered into by and between the City of Lincoln, a municipal corporation, ("Seller"), and Lincoln Land Holdings, LLC, a Delaware limited liability company or its Assignee, ("Buyer"), collectively the "Parties". This Agreement is made in furtherance of and supersedes and replaces that certain Agreement for Exclusive Right to Negotiate dated February 11, 2010 between Seller and Buyer (the "ERN").

1. PURCHASE AND SALE OF CONSERVATION EASEMENT

1.01 Agreement of Purchase and Sale

For and in consideration of the promises, undertakings, and mutual covenants of the Parties set forth in this Agreement, and in accordance with California Civil Code Sections 815 to 816 (the "CE Laws"), Seller hereby agrees to sell and convey to a non-profit conservancy that will be selected by Buyer in accordance with the CE Laws and approved by Seller prior to the Closing (the "Buyer Assignee"), and Buyer hereby agrees to purchase for the Buyer Assignee, a conservation easement (the "Easement") over 162± acres of land shown on the map attached hereto as Exhibit A-1 (the "Easement Property") which is part of that 420.2 ± acres of land owned by Seller described in Exhibit A-2 attached hereto (the "Seller Land") to satisfy some or all of Buyer's wetlands and species mitigation requirements imposed by the local, state and federal agencies (the "Agencies") having jurisdiction over Buyer's development of its adjacent mixed-use development project commonly known as the "Lewis Portion of Village 7 Specific Plan Project" (the "Project"), which Project is generally identified on Exhibit B attached hereto. The actual legal description of the Easement Property will be as determined by the Agencies and approved by Seller whereupon Buyer's engineer shall survey that Easement Property and prepare a legal description to be included in the Easement Deed. Exhibit C attached hereto is a list of the current mitigation requirements imposed by the Agencies on the Project (the "Mitigation Requirements") which Buyer proposes to satisfy by the Easement and the enhancement, inspection, maintenance, monitoring and reporting work ancillary to the Easement on the Easement Property (collectively, the "Mitigation"). The final Mitigation will include perimeter fencing and signage, and any cattle grates or gates as required by Seller or the Mitigation Requirements, and all such Mitigation will be approved by, and identified in permits issued to Buyer by, the Agencies and delivered to the Seller prior to the Closing (as defined in Section 2.01 (the "Agency Permits"). The City may, subject to approval by the Agencies, (i) utilize the remainder of the Seller Land, including the 250 ft buffer area adjacent to the Fiddymment Road and Moore Road as generally shown on Exhibit A-1, and/or the Easement Property, for its own mitigation purposes (the "City Mitigation") provided such City Mitigation does not interfere with the Buyer's Mitigation on the Easement Property pursuant to the Easement, FMM Agreement (defined below) and the Agency Permits, and provided Seller's mitigation work is approved by the Agencies to the extent required by law.

1.02 Purchase Price/Escrow

(a) Seller shall sell, and Buyer shall purchase for the Buyer Assignee the Easement for a price to be determined by appraisal (the "Appraisal") in accordance with the terms of Exhibit D attached hereto (the "Purchase Price"). The City's ability to do or not do any City Mitigation within the Seller Land or Easement Property is not to be considered in the Appraisal and shall not increase or decrease the Purchase Price. The Appraisal shall be commenced upon Buyer's delivery to Seller and to First American Title Company, 6683 Owens Drive, Pleasanton, CA 94588, Attn: Michelle Chan ("Escrow Holder") of its written notice of its intent to complete the Easement purchase (the "Buyer Closing Notice") and the Appraisal shall be completed in accordance with the terms of Exhibit D. Seller may terminate this Agreement by written notice to Buyer if the Buyer Closing Notice is not delivered to Seller within the earlier of (i) thirty (30) days after Buyer commences grading of the Project or (ii) five (5) years from the Effective Date. In the event of such termination, neither Party shall have any further rights or obligations under this Agreement. Upon receipt of the Buyer Closing Notice, Escrow Holder shall open an escrow for this Agreement (the "Escrow").

1.03 Earnest Money

(a) In consideration for the right to purchase the Easement granted in this Agreement by Seller, Buyer shall, within three (3) business days from the "Effective Date" (as defined in Section 11.13) pay to Seller the sum of Fifty Thousand Dollars (\$50,000.00) ("Initial Deposit"). All of the Initial Deposit shall be applied by Seller as a credit against the Purchase Price.

(b) Until the Buyer Closing Notice is delivered by Buyer to Seller and Escrow Holder, Buyer shall, on each anniversary of the Effective Date, pay to Seller the sum of Fifty Thousand Dollars (\$50,000.00) (the "Additional Deposits"). All of the Additional Deposits shall be applied by Seller as a credit against the Purchase Price.

(c) The Initial Deposits and Additional Deposits are referred to collectively as the "Deposit."

(d) Seller acknowledges receipt from Buyer of the sum of \$25,000 under the ERN and related City Funding Agreement to be used by Seller to pay the City's staff and legal costs incurred in connection with this Agreement through the Closing. That \$25,000 payment is not applicable to the Purchase Price.

2. CLOSE OF ESCROW

2.01 Closing Date

After Buyer delivers its Buyer Closing Notice to Seller and Escrow Holder, and provided the Appraisal is completed and approved by Seller and Buyer as set forth in Exhibit D, then Seller and Buyer shall complete the sale and purchase and assignment of the Easement on the date which is thirty (30) days after completion of the Appraisal (the "Closing Date"). The Closing shall take place in the offices of First American Title Company, 6683 Owens Drive, Pleasanton, CA 94588. "Closing" means the recordation of the Easement Deed.

2.02 Grantee Selection

The Buyer Closing Notice shall identify the Buyer Assignee selected by Buyer and approved by the Agencies and Seller to own and maintain the Easement (the “Grantee”). Those potential Buyer Assignees listed in Schedule 1 attached hereto are non-profit entities (as required by the CE Laws) pre-approved by Seller to be a Grantee. Grantee, Seller, and Buyer shall, prior to the Closing, enter into a “Conservation Easement Funding, Management and Maintenance Agreement” with Seller and Buyer in the form of Exhibit F-1 attached hereto or such other form approved by Seller and Buyer prior to the Closing (the “FMM Agreement”). The FMM Agreement shall be modified as reasonably required by the Agencies for approval by the Agencies pursuant to Section 2.03(a).

2.03 Buyer Closing Conditions.

Buyer’s obligation to complete the Easement Purchase is subject to the satisfaction of the following conditions prior to the Closing Date:

- (a) Approval by the Agencies of the form of Easement Deed and FMM Agreement;
- (b) Issuance by the Agencies of the Agency Permits;
- (c) Seller’s performance of its obligations set forth in Section 2.04; and
- (d) All of Seller’s representations and warranties in Section 8 shall be thru and correct on the Closing Date.
- (e) Approval by Seller of the Grantee and Grantee’s execution of the FMM Agreement;
- (f) Formation of a “Financing District” (as defined in the FMM Agreement) acceptable to Buyer.

If any of the conditions are not satisfied (or waived in writing by Buyer) by the Closing Date, the Buyer may elect to terminate the Agreement and except for a Seller default in which event the terms of Section 6.01 shall apply, neither Party shall have any further rights or obligations under this Agreement.

2.04 Seller’s Obligations at Closings

On the Closing Date Seller shall:

- (a) Execute and deliver to Escrow Holder for Buyer an Easement Deed in the form of Exhibit F-2 attached hereto, duly executed and acknowledged, conveying to Buyer the Easement free and clear of all liens, claims, and encumbrances except the Permitted Exceptions. The Easement Deed shall be modified as reasonably required for approval by the Agencies pursuant to Section 2.03(a).

(b) Cause the Escrow Holder to issue and advise Buyer that it has issued, at Buyer's cost, a Standard CLTA Title Insurance Policy (the "Title Policy") which shall: (i) be in the amount of the Purchase Price; (ii) insure the Easement in favor of Grantee; (iii) include any endorsements reasonably requested by Buyer, and (iv) contain no exceptions other than the exceptions listed in the Title Report (the "Title Report") issued by First American Title Company dated October 25, 2010 attached hereto as Exhibit H. These Schedule B exceptions are referred to in this Agreement as the "Permitted Exceptions".

(c) Execute and deliver the FMM Agreement and the Construction License in the forms of Exhibits F-1 and G attached hereto and such other instruments and affidavits as the Escrow Holder may reasonably require.

2.05 Buyer's Obligations at Closing

On the Closing Date, Buyer shall:

(a) Pay to Escrow Holder for Seller the Purchase Price (less the Deposit) in cash;

(b) Execute and deliver the FMM Agreement and the Temporary Construction License in the forms of Exhibits F-1 and G attached hereto and such other instruments and affidavits as the Escrow Holder may reasonably require.

2.06 Closing Costs

(a) Buyer shall pay all of the escrow and title costs and expenses, including:

(i) Any escrow fee;

(ii) The premiums for the Standard CLTA Title Insurance Policy and (and any endorsements requested by Buyer);

(iii) The cost of recording the Easement Deed.

3. TITLE REPORT/NEW EXCEPTIONS

If any new or additional items appear of record prior to the Closing Date that are not identified as exceptions in the Title Report, the Escrow Holder shall deliver to Buyer a supplemental title report ("Supplemental Report"), together with true and correct copies of all instruments reflected as exceptions in the Supplemental Report. Buyer shall have thirty (30) days to notify Seller of objections to any new items contained in the Supplemental Report (the "Supplemental Review Period") which will materially interfere with or prevent the Mitigation. Buyer's failure to respond within such 30 day period shall be deemed Buyer's approval to such new items.

If Buyer objects in writing to Seller, Seller and Buyer shall cooperate with Title Company to eliminate or modify such objectionable items to the satisfaction of Buyer within sixty (60) days after receipt of such notice of objections (the "Cure Period"). If those additional exceptions are not so removed or modified within the Cure Period, Buyer may, at its option, and as Buyer's sole remedy, terminate this Agreement by written notice to Seller whereupon the

Deposit shall be returned to Buyer and neither Party shall have any further rights or obligations under this Agreement.

The Closing Date will extend as necessary to accommodate the Cure Period.

4. FEASIBILITY/DUE DILIGENCE INVESTIGATION

4 01 Seller's Materials

Within thirty (30) days after the Effective Date, Seller shall send by overnight mail and/or electronic file for Buyer's review and approval, all information currently in its possession regarding the use, maintenance, or physical condition of the Easement Property (collectively "Seller's Materials").

4 02 Buyer's Feasibility

Buyer, at its expense, may enter the Easement Property at any time prior to the Closing Date, after one (1) day prior notice to Seller, to conduct any studies of the Easement Property (including, without limitation, environmental, and biological) to determine in its discretion whether or not the Easement Property is suitable to Buyer and the Agencies for the Mitigation. Such studies shall be conducted in such a manner as to not permanently damage the Easement Property, and if damage is done, Buyer shall repair and restore it to substantially its former condition at Buyer's expense. If the studies indicate, in Buyer's sole and absolute discretion, that the Easement Property is not suitable to Buyer, then Buyer will send written notice (the "Notice of Non-Suitability") to Seller on or before the Closing Date. If Buyer fails to send Seller the Notice of Non-Suitability on or before the Closing Date, the Easement Property shall be deemed suitable to Buyer. If Buyer delivers Notice of Non-Suitability then this Agreement shall terminate and neither Party shall have any further rights or obligations under this Agreement. Seller and Buyer previously executed that certain Right of Entry Agreement, dated March 3, 2010, in the form of Exhibit E attached hereto (the "ROE") which shall apply to Buyer's entry on the Easement Property under this Section 4.02.

4 03 Operation and Maintenance Obligations

Seller shall, prior to the Closing, maintain the Easement Property in its as is condition and will not permit any use or improvement of the Easement Property which would impair or damage the ability for Buyer to use the land for the Mitigation to satisfy the Mitigation Requirements. Buyer acknowledges that the Seller Land, including the Easement Property, is subject to an existing cattle grazing lease with Auburn Ravine Ranch, Inc. (the "Grazing Lease"). The Grazing Lease expires on November 1, 2013, (the "Lease Expiration Date"). If the Closing occurs prior to the Lease Expiration Date, Buyer shall acquire the Easement Property subject to the Grazing Lease until the Lease Expiration Date when the Grazing Lease will be terminated by Seller and Seller shall cause the lessee to remove all cattle from the Easement Property; provided, if permitted by the Agency Permits, and subject to Buyer's written approval, in its sole and absolute discretion, Seller may extend the Grazing Lease over the Easement Property beyond the Lease Expiration Date provided such use of the Easement Property is terminable by Seller or Buyer on thirty (30) days notice and does not interfere with

the Buyer's Mitigation on the Easement Property. Seller may not extend the Lease Expiration Date without Buyer's prior written consent in Buyer's sole and absolute discretion.

5. BUYER LICENSE

From and after the Closing, and upon five (5) days prior written notice to Seller, Buyer may enter the Easement Property to perform any work required by the Agency Permits, subject to the terms and conditions of that Temporary Construction License and Indemnity Agreement in the form of Exhibit G attached hereto (the "Construction License"). The Construction License shall be executed by Seller and Buyer.

6. REMEDIES

6.01 Seller's Remedies; LIQUIDATED DAMAGES

IF SELLER PERFORMS ALL OF SELLER'S OBLIGATIONS PURSUANT TO THIS AGREEMENT AND BUYER FAILS TO PURCHASE THE EASEMENT AFTER DELIVERING ITS BUYER CLOSING NOTICE SOLELY DUE TO BUYER'S DEFAULT UNDER THIS AGREEMENT, SELLER'S SOLE AND EXCLUSIVE REMEDY SHALL BE TO TERMINATE THIS AGREEMENT AND RETAIN THE DEPOSIT AS LIQUIDATED DAMAGES IN ACCORDANCE WITH THE PROVISIONS SET FORTH BELOW. IN THE EVENT OF SUCH A BUYER DEFAULT, SELLER WILL BE DAMAGED AND WILL BE ENTITLED TO COMPENSATION FOR THOSE DAMAGES. SUCH DAMAGES WILL, HOWEVER, BE EXTREMELY DIFFICULT AND IMPRACTICAL TO ASCERTAIN FOR THE FOLLOWING REASONS: (1) THE DAMAGES TO WHICH SELLER WOULD BE ENTITLED IN A COURT OF LAW WILL BE BASED IN PART ON THE DIFFERENCE BETWEEN THE ACTUAL VALUE OF THE EASEMENT AT THE TIME SET FOR THE CLOSE OF ESCROW AND THE PURCHASE PRICE AS SET FORTH IN THIS AGREEMENT; PROOF OF THE AMOUNT OF SUCH DAMAGES WILL BE BASED ON OPINIONS OF VALUE OF THE EASEMENT, WHICH CAN VARY IN SIGNIFICANT AMOUNTS; AND (3) IT IS IMPOSSIBLE TO PREDICT AS OF THE DATE ON WHICH THIS AGREEMENT IS MADE WHETHER THE VALUE OF THE EASEMENT WILL INCREASE OR DECREASE AS OF THE DATE SET FOR THE CLOSE OF ESCROW. THEREFORE, THE AMOUNT OF THE DEPOSIT PREVIOUSLY PAID BY BUYER SHALL BE DEEMED TO CONSTITUTE A REASONABLE ESTIMATE OF SELLER'S DAMAGES UNDER THE PROVISIONS OF SECTION 1671 OF THE CALIFORNIA CIVIL CODE. SELLER'S SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF THE FAILURE TO CLOSE ESCROW RESULTING FROM BUYER'S DEFAULT SHALL BE LIMITED TO SUCH AMOUNT OF THE DEPOSIT AND SELLER SHALL HAVE NO RIGHT TO RECOVER ANY ADDITIONAL DAMAGES OR TO PURSUE ACTION FOR SPECIFIC PERFORMANCE OF ANY PROVISIONS OF THIS AGREEMENT. IN CONSIDERATION OF THE PAYMENT OF LIQUIDATED DAMAGES, SELLER WILL BE DEEMED TO HAVE WAIVED ALL OTHER CLAIMS FOR DAMAGES OR RELIEF AT LAW OR IN EQUITY INCLUDING ANY RIGHTS SELLER MAY HAVE PURSUANT TO SECTION 1680 OR SECTION 3389 OF THE CALIFORNIA CIVIL CODE RELATING TO BUYER'S DEFAULT RESULTING IN ESCROW NOT CLOSING AS PROVIDED UNDER THIS AGREEMENT. BY INITIALING THIS PROVISION IN THE SPACES BELOW,

SELLER AND BUYER EACH SPECIFICALLY AFFIRM THEIR RESPECTIVE AGREEMENTS CONTAINED IN THIS AGREEMENT AND AGREE THAT SUCH SUM IS A REASONABLE SUM CONSIDERING THE CIRCUMSTANCES AS THEY EXIST ON THE DATE OF THIS AGREEMENT.

BUYER'S INITIALS

SELLER'S INITIALS

6.02 Buyer's Remedies

If Seller defaults in performing Seller's obligations hereunder for any reason other than Buyer's default, or if there is a breach of any of Seller's representations and warranties in Section 8 below, Buyer shall be entitled to: (i) waive the contractual obligations of Seller in writing, (ii) extend the time for performance by such period of time as may be mutually agreed upon in writing by the Parties hereto; (iii) terminate this Agreement and receive a return of the Deposit; and/or (iv) enforce specific performance of this Agreement, unless specific performance is not available, in which case Buyer's sole remedy is the return of the Deposit. Buyer's extension of the time for Seller's performance pursuant to clause (ii) above shall not constitute an election of remedies and shall not prohibit Buyer's exercise of Buyer's other remedies set forth above in the event Seller fails to cure such breach prior to the expiration of such extension period.

6.03 Post Closing Remedies

From and after the Closing, each Party shall have the right to pursue its actual damages against the other Party (i) for a breach of any covenant or agreement contained in this Agreement that is performable after or that survives any Closing, and (ii) for a breach of any representation or warranty made by the other Party in this Agreement. In no event shall either Party be liable for any speculative, consequential or punitive damages.

7. NOTICE AND RIGHT TO CURE

Each Party shall be entitled to written notice of any default and shall have ten (10) days from receipt of such notice to cure such default prior to the exercise of any remedy provided in this Agreement. Each Party agrees to cooperate with the other Party in any and all reasonable attempts to cure a default within the default cure period.

8. REPRESENTATIONS, WARRANTIES, AND COVENANTS OF SELLER

(a) Seller hereby makes the following representations and warranties, which shall also be true as of Closing, and which shall survive the Closing.

(i) Except for the Grazing Lease which expires on the Lease Expiration Date as set forth in Section 4.03, Seller will not grant any third party the right to use or occupy the Easement Property or otherwise cause or permit any exceptions to title, other than the Permitted Exceptions, prior to the Closing.

(ii) Seller has the full right, power, and authority to grant the Conservation Easement to Grantee as provided in this Agreement and to carry out its obligations hereunder; and all required action necessary to authorize Seller to enter into this Agreement and to carry out its obligations hereunder has been or will have been taken prior to the Closing Date. Neither this Agreement nor anything provided to be done under this Agreement violates or will violate any contract, document, understanding, agreement or instrument to which Seller is a party or by which it is bound.

(iii) To the best of Seller's knowledge, there are no legal proceedings initiated with respect to the Easement Property, including, but not limited to, any eminent domain or condemnation proceedings, which would materially adversely affect the sale of the Easement to Buyer.

(iv) To the best of Seller's knowledge, Seller has not received any notice from any governmental agency or other third party that the Easement Property is in violation of any laws or regulations.

(b) Seller shall cooperate with Buyer, as reasonably requested by Buyer, to obtain the Agency Permits by the Closing Date, at Buyer's cost.

(c) Seller shall cooperate with Buyer and take all actions required to form a Financing District as defined in the FMM Agreement by the Closing Date. Buyer shall pay all reasonable costs incurred by Seller to complete that formation.

9. REPRESENTATIONS AND WARRANTIES OF BUYER

Subject to the provisions of this Agreement, Buyer has the full right, power, and authority to purchase the Easement from Seller as provided in this Agreement and to carry out its obligations hereunder; and all required action necessary to authorize Buyer to enter into this Agreement and to carry out its obligations hereunder has been or will have been taken prior to the Closing Date.

10. NOTICE

Any notice authorized, required, or permitted to be given hereunder may be given by personal delivery, overnight mail courier, facsimile, electronic mail or by the United States certified mail or registered mail, return receipt requested, and properly addressed to the Party to be notified at the following address:

Seller: City of Lincoln
600 Sixth Street
Lincoln, CA 95648
Attn: City Manager
Phone: _____
Email: _____
Fax: _____

with copy to: City of Lincoln
600 Sixth Street
Lincoln, CA 95648
Attention: City Attorney
Phone: _____
Email: _____
Fax: _____

Buyer: Lincoln Land Holdings, LLC
c/o Lewis Operating Corp.
9216 Kiefer Blvd
Sacramento CA 95826
Attn: Doug Mull
Phone: 916-363-2617
Email: doug.mull@lewisop.com
Fax: 916-290-0845

with copy to: Lewis Operating Corp.
P. O. Box 670
Upland, CA 91875-0670
1156 North Mountain Avenue
Upland, CA 91785-3633
Attn: W. Bradford Francke
Phone: 909-946-7538;
E-mail: brad.francke@lewisop.com
Fax 909-949-6725

Escrow Holder: First American Title Company
6683 Owens Drive
Pleasanton, CA 94588
Attn: Michelle Chan, Senior Escrow Officer
Phone: 925-201-6625;
Email: mlchan@firstam.com
Fax : 866-648-7806

Any notice delivered by hand delivery or sent by overnight courier shall be effective on the date of actual delivery. Notice given by electronic mail or by facsimile shall be effective on the business day transmitted with machine generated confirmation of transmission. Notice given by US mail shall be effective on the 3rd business day after mailing. Any address for notice may be changed by 10 days prior written notice in the manner provided above.

11. MISCELLANEOUS PROVISIONS

11.01 Survival of Covenants. Any covenant or agreement in this Agreement which contemplates performance after the time of Closing shall not be deemed to be merged into or

waived by the instruments of the respective Closing, but shall expressly survive such Closing and be binding upon the Parties obligated thereby.

11.02 Successors and Assigns. The terms, provisions, warranties, representations, covenants, and agreements contained in this Agreement shall apply to, be binding upon, and inure to the benefit of, the Parties hereto and their respective legal representatives, successors, and assigns. Notwithstanding the foregoing, except for Seller's assignment of this Agreement to another governmental entity such as a Joint Powers Authority or to the Regional Wastewater Treatment District. Seller shall not have the right to assign this Agreement without Buyer's prior written approval, but Buyer shall have the right to assign this Agreement without Seller's prior written approval to any entity in which any of the members of Buyer, individually or collectively, own a controlling interest. Any other assignment by Buyer shall require the prior written consent of Seller not to be unreasonably withheld. No such assignment by Seller or Buyer shall be valid or enforceable unless prior written notice of the assignment is given to the other party and the assignee agrees in writing to assume all of the assignor's obligations under this Agreement.

11.03 Governing Law. This Agreement shall be governed and interpreted under the laws of the State of California.

11.04 Section Headings. The section headings used in this Agreement are for reference and convenience purposes only, and shall not be used in the interpretation of this Agreement.

11.05 Exhibits. All exhibits attached hereto are incorporated in this Agreement by reference and made a part of this Agreement

11.06 No Waiver of Future Performance. Failure of Buyer or Seller to insist in any one or more instances upon the performance of any of the covenants, agreements, and/or conditions of this Agreement or to exercise any right or privilege in this Agreement conferred shall not be construed as a waiver of any such covenant or condition.

11.07 Integration; Amendment in Writing. This Agreement, inclusive of the Exhibits hereto, contains the entire agreement between the Parties relating to the Easement Property and the Easement, and neither Party shall be bound by any oral statement or oral or written agreement made prior to or contemporaneous with this Agreement and not included within this Agreement. This Agreement cannot be amended except by written agreement executed by the Parties.

11.08 Survival of Representations. All of the representations, warranties, covenants, and agreements made by Seller and by Buyer shall survive the Closing and shall not be merged therein for the benefit of Buyer and Seller and their respective legal representatives, successors, and assigns.

11.09 Attorney's Fees. In the event Seller or Buyer become involved in any dispute arising out of the breach or alleged breach of this Agreement or otherwise concerning any provision of this Agreement or the rights and duties of any Party under this Agreement, the prevailing Party shall be entitled to be paid its reasonable attorneys' fees, as well as all other reasonable fees and costs incurred in preparation for or investigation of any matter relating to the

dispute (including any resulting litigation or other alternative dispute resolution proceeding). For the purposes of this Section, attorneys' fees shall include, without limitation, fees incurred in the following: (1) post-judgment motions, (2) contempt proceedings; (3) garnishment, levy, and debtor and third party examinations; (4) discovery; (5) any appeals; and (6) bankruptcy proceedings. This Section is intended to be expressly severable from the other provisions of this Agreement, is intended to survive any judgment and is not to be deemed merged into the judgment.

11.10 No Partnership or Joint Venture. Nothing contained in this Agreement is intended to create, nor shall it ever be construed to make, Seller and Buyer partners or joint venturers.

11.11 Consent. Any consent requested or required by one Party under the terms of the Agreement shall not be unreasonably withheld or delayed by the other Party hereto unless expressly stated in this Agreement to be at the sole and absolute discretion of such Party, in which case such Party shall have sole and absolute discretion to withhold or delay such consent.

11.12 Severability. The provisions of this Agreement are severable, and if any provision or part hereof or the application thereof to any person or circumstances shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Agreement and the application of such provisions or part hereof to other persons or circumstances shall not be affected thereby.

11.13 Effective Date. The phrase "date of this Agreement", or "date hereof", or "effective date of this Agreement", as used herein, means the date this Agreement, after approved by the City Council of the City of Lincoln, is signed by both the Buyer and Seller.

11.14 Dates for Performance. Should the date for the giving of any notice, the performance of any act, or the beginning or end of any period provided for in this Agreement fall on a Saturday, Sunday or other legal holiday, such date shall be extended to the next succeeding business day which is not a Saturday, Sunday or legal holiday.

11.15 Counterparts and Electronic Signatures. This Agreement may be executed in one or more counterparts, of each which shall be deemed an original, but all of which together shall constitute one and the same instrument. In addition, if any Party uses facsimile-transmitted signed documents, or signed documents which have been electronically scanned and transmitted by email, Escrow Holder and the other Party are authorized to rely upon such documents as if they bore original signatures.

EXECUTED by the Parties hereto in multiple copies, each of which shall be deemed to be an original, on the dates set forth below.

SELLER: City of Lincoln, a municipal corporation

By: _____

Name: _____

Title: _____

Date of Execution: _____, 2011

BUYER: Lincoln Land Holdings, LLC,
a Delaware limited liability company

By: North Mountain Corporation
a California corporation
Its Sole Manager

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

Date of Execution: _____, 2011

ACKNOWLEDGEMENT OF ESCROW COMPANY:

First American Title Company

By: _____

Name: _____

Title: _____

Date of Receipt: _____, 2011

EXHIBITS:

- EXHIBIT A-1: Map of Easement Property and Conservation Areas**
- EXHIBIT A-2: Legal Description of the Seller Land**
- EXHIBIT B: Lewis Village Specific Plan**
- EXHIBIT C: Agency Mitigation Requirements**
- EXHIBIT D: Appraisal Procedure**
- EXHIBIT E: Right of Entry Agreement**
- EXHIBIT F-1: Conservation Easement Funding, Management and Maintenance Agreement**
- EXHIBIT F-2: Easement Deed**
- EXHIBIT G: Temporary Construction License**
- EXHIBIT H: Title Report**

SCHEDULE 1: List of Possible Grantees

WBF ag\927\G2491F City PSA
111711 CLN

1

EXHIBIT A-1
Map of Easement Property

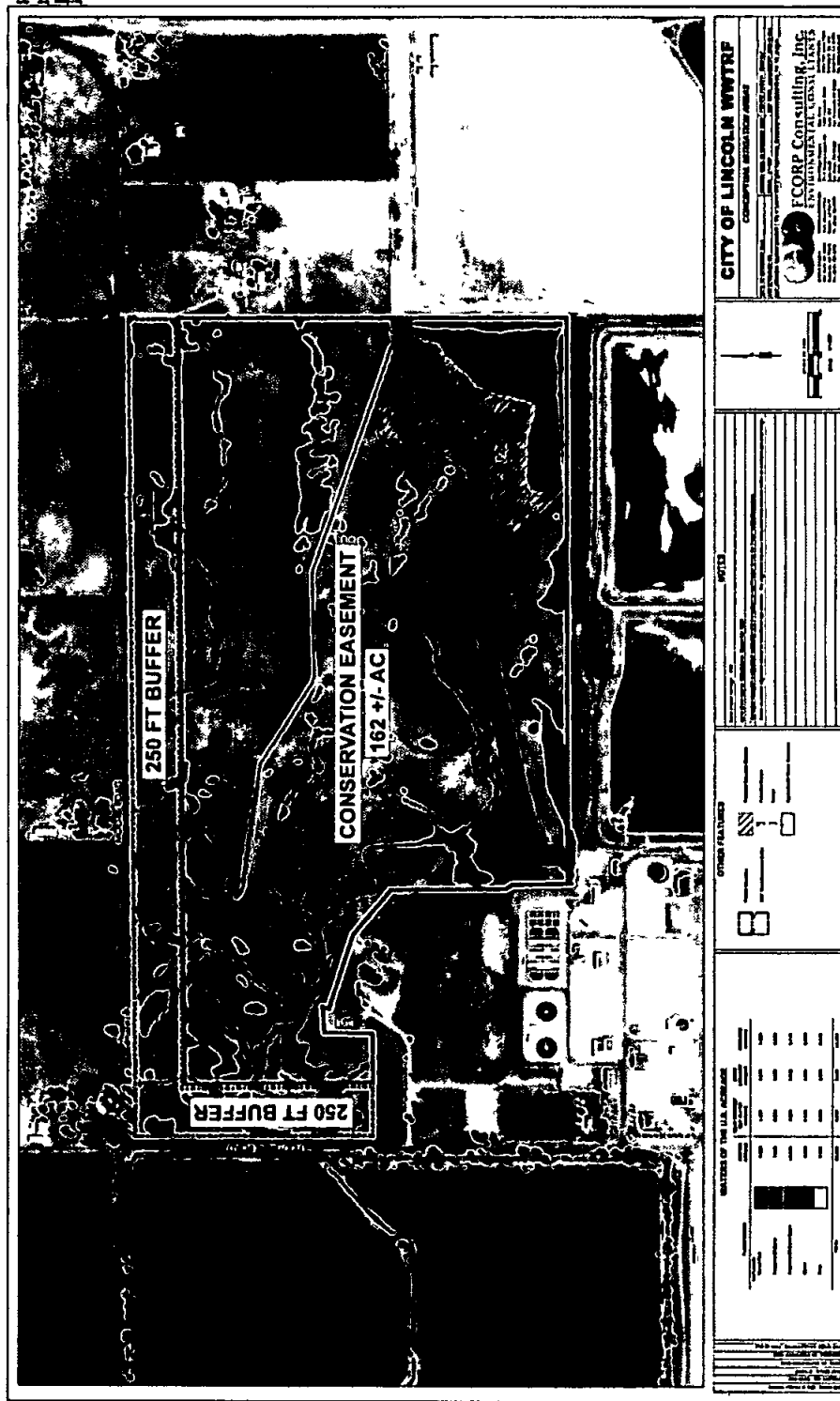


EXHIBIT A-2

Legal Description of Seller Land

Order Number 0131-617800ala
Page Number 5

LEGAL DESCRIPTION

Real property in the City of Lincoln, County of Placer, State of California, described as follows

All that certain real property situate in a portion of Sections 29, 30 and 31, Township 12 North, Range 6 East, M.D.M. and also being a portion of the Lands of ANTONIO MOUNTAIN RANCH-LINCOLN, a California Limited Partnership as described in Book 3822 of Official Records, at page 547, Placer County Records and being more particularly described as follows:

Beginning at the Northeast corner of said Section 30 marked by a 2-1/2" Brass Cap stamped L.S. 3636 as shown on Book 4 of Parcel Maps at page 60 Placer County Records, thence from the TRUE POINT OF BEGINNING South 89° 30' 52" West along the North line of the Northeast quarter of said Section 30 a distance of 2626.91 feet to the North Quarter of said Section marked by a 3/4" Iron Pipe stamped L.S. 2651 as shown on Book 8 of Surveys at page 150 Placer County Records; thence South 00° 06' 46" East along the North-South Centerline of said Section 30 a distance of 2195.90 feet to the Westerly prolongation of the Northerly fence line of the Lands of the Central School District as described in Book "DD" of Deeds at page 687 Placer County Records; thence South 89° 02' 36" East along said Northerly fence line a distance of 265.72 feet to the Northeast corner of said Lands of the Central School District; thence South 02° 58' 52" West along the Easterly fence line a distance of 117.10 feet to the Southeast Corner of said Lands of the Central School District, thence South 89° 11' 26" West along the Southerly fence line of said Lands of the Central School District a distance of 259.38 feet to the North-South Centerline of said Section 30; thence South 00° 06' 46" East along said North-South Centerline of Section 30 a distance of 2980.34 feet to the South line of said Section 30 and the calculated position for the South Quarter Corner of said Section 30, thence leaving said South line of said Section 30 South 00° 45' 05" East along the West line of the Northeast Quarter of said Section 31 a distance of 509.14 feet to a point, thence leaving said West line of the Northeast Quarter of Section 31 South 89° 49' 45" East a distance of 995.18 feet; thence North 12° 00' 33" East a distance of 536.42 feet to the South line of the Southeast Quarter of said Section 30, thence North 12° 00' 33" East a distance of 416.06 feet, thence North 90° 00' 00" East a distance of 116.63 feet, thence North 00° 00' 00" East a distance of 689.96 feet; thence North 90° 00' 00" East a distance of 1319.95 feet to the West line of the Southwest Quarter of said Section 29; thence North 90° 00' 00" East a distance of 149.83 feet, thence South 51° 34' 31" East a distance of 290.77 feet, thence North 48° 55' 45" East a distance of 728.34 feet; thence North 02° 08' 53" East a distance of 202.28 feet; thence North 52° 36' 04" East a distance of 501.80 feet to the East line of the West half of the Southwest Quarter of said Section 29, thence North 00° 15' 02" West a distance of 773.67 feet to the South line of the Northwest Quarter of said Section 29; thence North 00° 15' 02" West a distance of 1321.73 feet to the Southwest Corner of Parcel "A" as shown on Book 4 of Parcel Maps at page 60 P.C.R.; thence North 00° 24' 28" West along the West line of said Parcel "A" a distance of 1326.37 feet to the Northwest Corner of said Parcel "A" and the North line of said Northwest Quarter of Section 29; thence South 89° 27' 59" West along said North line of the Northwest Quarter Section 29 a distance of 1334.64 feet to the point of beginning

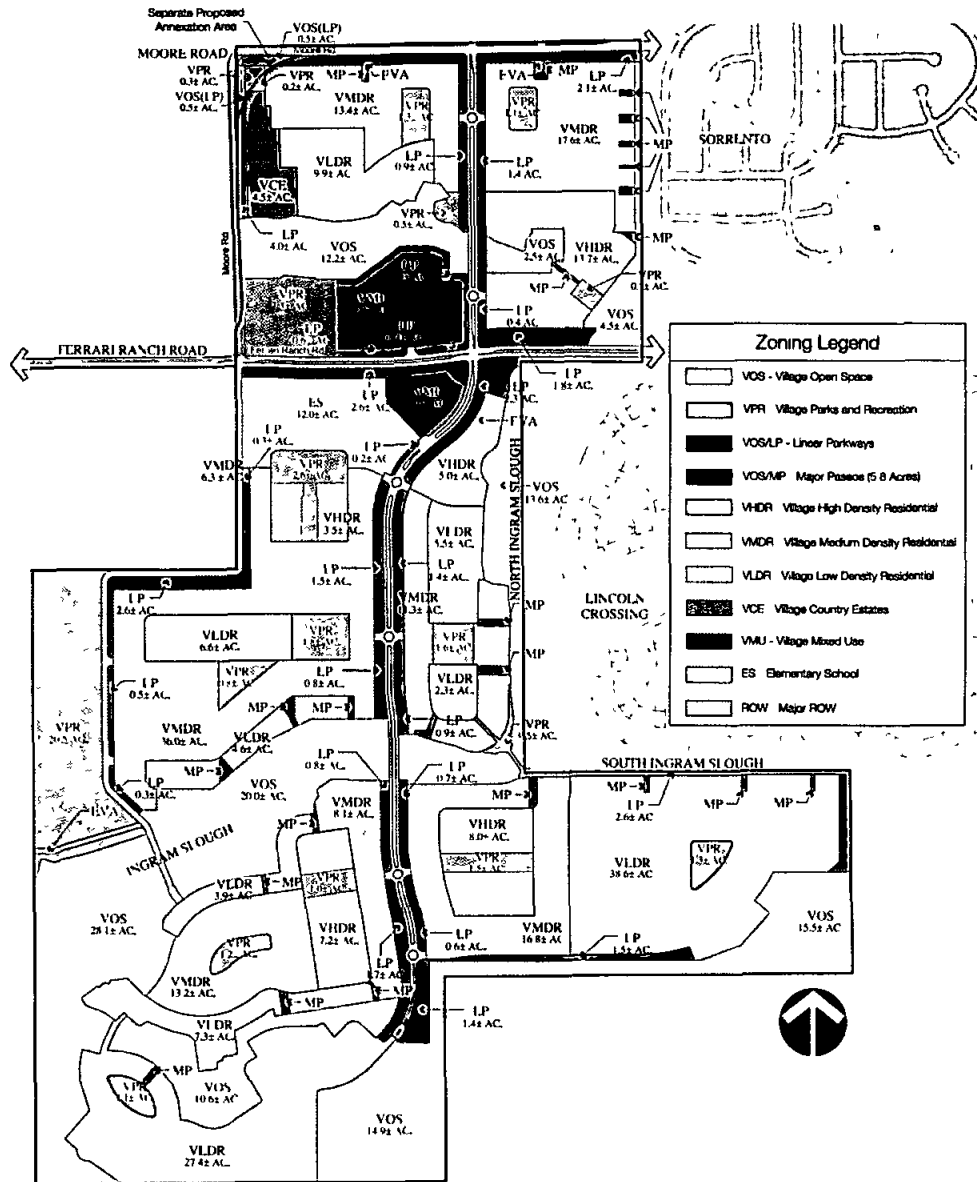
EXCEPTING THEREFROM all that portion thereof as contained in the Grant to the County of Placer, recorded December 1, 1976 in Book 1786, page 332, Placer County Records


APN 021-283-003

First American Title

Exhibit A-2

EXHIBIT B **Lewis Village 7 Specific Plan**



 The HILA Group Landscape Architects & Planners, Inc.
 1050 Fourteenth Street, Suite 200
 Sacramento, California 95811

Lewis Property
 Land Use Plan
 Lincoln, California

October 2009

EXHIBIT C
Agency Mitigation Requirements



United States Department of the Interior

FISH AND WILDLIFE SERVICE
Sacramento Fish and Wildlife Office
2800 Cottage Way, Room W-2605
Sacramento, California 95825-1846



In reply refer to
1-1-05-F-0079

MAR 15 2006

Mr. Thomas Cavanaugh
Chief, Sacramento Valley Office
U.S. Army Corps of Engineers
1325 J Street
Sacramento, California 95814-2922

Subject Formal Endangered Species Consultation on the proposed Nader Property
Project (Corps File Number 200000386), Placer County, California

Dear Mr. Cavanaugh

This letter responds to your March 25, 2004, request for initiation of formal consultation with the U.S. Fish and Wildlife Service (Service) on the proposed Nader Property project (proposed project). This document represents the Service's biological opinion on the effects of the action on the endangered vernal pool tadpole shrimp (*Lepidurus packardii*) and the threatened vernal pool fairy shrimp (*Branchinecta lynchi*). This response is in accordance with section 7 of the Endangered Species Act of 1973, as amended (16 U.S.C. 1531 *et seq.*) (Act).

The findings and recommendations in this formal consultation are based on: (1) the July 13, 2003, Section 404 Individual Permit Application for Nader Property, Placer County, California, prepared by ECORP Consulting; (2) your March 25, 2004, letter request to initiate Section 7 consultation; (3) a July 27, 2004, site visit attended by Rick Kuyper of the Service and Cameron Johnson of ECORP Consulting; (4) the March 8, 2005, letter from ECORP Consulting to the Service providing additional information and a revised project description; (5) the July 14, 2005, map entitled *Estimate of Impacts to Fairy Shrimp Habitat* provided by ECORP Consulting to the Service; (6) the February 24, 2006, letter and accompanying information from ECORP Consulting to the Service regarding proposed compensation measures for vernal pool crustacean habitat; and (7) other information available to the Service.

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IN AMERICA 

Consultation History

March 25, 2004 U S Army Corps of Engineers (Corps) requested to initiate Section 7 consultation for the project

April 8, 2004. The Service requested additional information regarding effects of the proposed project to the two federally-listed vernal pool crustaceans.

July 27, 2004. A site visit was attended by Rick Kuyper of the Service and Cameron Johnson of ECORP Consulting

March 8, 2005 ECORP Consulting provided additional information to the Service regarding changes in the proposed project's footprint to reduce indirect effects to the adjacent Orchard Creek Vernal Pool Conservation Bank.

March 14, 2005 Cameron Johnson of ECORP Consulting telephoned Rick Kuyper of the Service and reported that vernal pool fairy shrimp were detected in farmed wetlands in the northern portion of the proposed project area. It was determined that the farmed wetlands should be included as vernal pool fairy shrimp habitat

April 12, 2005. A site visit was attended by Rick Kuyper of the Service and Cameron Johnson of ECORP Consulting to evaluate potential habitat for federally-listed vernal pool crustaceans found on-site

July 14, 2005. ECORP Consulting provided additional information regarding direct and indirect effects to the federally-listed vernal pool crustacean species.

February 14, 2006. ECORP Consulting provided a letter and accompanying information to the Service regarding proposed compensation measures for adverse effects to vernal pool crustacean habitat.

BIOLOGICAL OPINION

Description of the Proposed Action

The proposed project is located southwest of the City of Lincoln and west of Highway 65 in western Placer County. It is bounded by Moore Road to the north and a portion of its western edge, the City of Lincoln's waste water treatment plant on the western boundary, by development projects on the east and northeast, and the Orchard Creek Wetland Mitigation Bank on the southern border. The proposed project site is approximately 510 acres, contains approximately 30.63 acres of jurisdictional wetlands onsite, and involves the construction of a mixed-use development of medium and low density residential housing, preserve areas, an elementary school, five community use facilities, including soccer fields and a central community center, bike paths, and associated infrastructure. The proposed project would directly affect 1.98 acres and indirectly affect 3.4 acres of habitat for the two federally-listed vernal pool crustaceans.

The project applicant has proposed the following conservation and avoidance measures

1. The project applicant will preserve three acres aquatic vernal pool habitat for every one acre of aquatic vernal pool habitat directly and indirectly affected. The project applicant will preserve 16.14 acres of vernal pool aquatic habitat at an off-site location within Placer County (Table 1). The off-site location is subject to approval by the Service.
2. The project applicant will create/restore one acre of aquatic vernal pool habitat for every acre of aquatic vernal pool habitat that is directly affected. The project applicant will create/restore 1.98 acres of aquatic vernal pool habitat at an off-site location within Placer County (Table 1). The off-site location is subject to approval by the Service.

Table 1: Proposed compensation ratios for the Nader Property Project.

Directly affected (1.98 acres total)	Indirectly affected (3.4 acres total)
3:1 preservation = 5.94 acres	3:1 preservation = 10.2 acres
1:1 creation = 1.98 acres	
Total Preservation = 16.14 acres	Total Creation = 1.98

3. The project applicant will preserve 0.38 acre of aquatic vernal pool habitat and surrounding upland habitat. The on-site preserve will be designated as an open space/vernal pool grassland preserve. This on-site preserve is adjacent to Wildland's Orchard Creek Vernal Pool Conservation Bank and will be managed in the same manner as the adjacent vernal pool habitat within the Bank.

Status of the Species

Vernal pool fairy shrimp

A final rule was published on September 19, 1994 (Service 1994), to list the vernal pool fairy shrimp as threatened under the Act. The final rule to designate critical habitat for 15 vernal pool species, including the vernal pool fairy shrimp, was published on August 6, 2003 (Service 2003). A final rule was published again on August 11, 2005 (Service 2005). Further information on the life history and ecology of the vernal pool fairy shrimp may be found in the final listing rule, the final rule to designate critical habitat, Eng *et al.* (1990), Helm (1998), Simovich *et al.* (1992), and Volmar (2002).

Vernal pool fairy shrimp inhabit alkaline pools, ephemeral drainages, rock outcrop pools, vernal pools, and vernal swales (Helm 1998). Occupied habitats range in size from rock outcrop pools as small as one square meter to large vernal pools up to 12 acres, the potential ponding depth of occupied habitat ranges from 1.2 inches to 48 inches. The vernal pool fairy shrimp has been collected from early December to early May.

All known occurrences of vernal pool fairy shrimp occur in California or southern Oregon. The geographic range of this species encompasses most of the Central Valley from Shasta County to Tulare County and the central coast range from northern Solano County to Santa Barbara County, California, additional disjunct occurrences have been identified in western Riverside County, California, and in Jackson County, Oregon near the city of Medford (CDFG 2000-2003; Helm 1998; Erksen and Belk 1999; Volmar 2002, Service 1994, 2003).

Vernal pool fairy shrimp have delicate elongate bodies, large, stalked, compound eyes, no hard shell (i.e., no carapace), and 11 pairs of swimming legs. Typically less than 1 inch long, they swim or glide gracefully upside-down by means of complex, wavelike beating movements while feeding on algae, bacteria, protozoa, rotifers, and detritus. Female vernal pool fairy shrimp carry eggs in a pear-shaped, ventral brood sac until the eggs are either dropped or sink to the pool bottom with the female when she dies. Eggs which remain after pools dry are known as cysts and are able to withstand heat, cold, and prolonged desiccation. When pools refill in the same or subsequent seasons, some, but not all, of the cysts may hatch, resulting in a cyst bank in the soil that may include cysts from several breeding seasons (Donald 1983). Vernal pool fairy shrimp develop rapidly and may become sexually mature within two weeks after hatching (Gallagher 1996; Helm 1998). Such quick maturation permits fairy shrimp populations to persist in short-lived, shallow bodies of water (Simovich *et al.* 1992).

The primary historic dispersal method for the vernal pool fairy shrimp was likely large scale flooding resulting from winter and spring rains which allowed colonization of different individual vernal pools and other vernal pool complexes. This dispersal is prohibited by the construction of dams, levees, and other flood control measures, and widespread urbanization within significant portions of the range of this species. Waterfowl and shorebirds likely are now the primary dispersal agents for vernal pool tadpole shrimp and vernal pool fairy shrimp (Brusca 1992; Simovich 1992). The eggs of these crustaceans are either ingested (Krapu 1974; Swanson *et al.* 1974, Driver 1981, Ahl 1991) and/or adhere to the legs and feathers where they are transported to new habitats.

There are 29 occurrences of vernal pool fairy shrimp within the Roseville USGS quadrangle, as reported in the California Natural Diversity Database (CNDDB) (CDFG 2005). In addition, on March 14, 2005, ECORP Consulting verified with the Service that vernal pool fairy shrimp were detected on-site. The Service believes that the vernal pool fairy shrimp is reasonably certain to occur within vernal pool habitat throughout the action area because of the biology and ecology of the animal, the presence of suitable habitat in and adjacent to the action area, as well as the recent on-site observations of this listed species.

Vernal Pool Tadpole Shrimp

A final rule was published on September 19, 1994 (Service 1994), to list the vernal pool fairy shrimp as threatened under the Act. The final rule to designate critical habitat for 15 vernal pool species, including the vernal pool fairy shrimp, was published on August 6, 2003 (Service 2003). A final rule was published again on August 11, 2005 (Service 2005). Further information on the

life history and ecology of the vernal pool fairy shrimp may be found in the final listing rule, the final rule to designate critical habitat, Eng *et al.* (1990), Helm (1998), Simovich *et al.* (1992), and Volmar (2002).

Vernal pool tadpole shrimp inhabit alkaline pools, clay flats, vernal lakes, vernal pools, vernal swales, and other seasonal wetlands (Helm 1998). Occupied habitats range in size from vernal pools as small as two square meters to large vernal lakes up to 89 acres; the potential ponding depth of occupied habitat ranges from 1 5 inches to 59 inches

The vernal pool tadpole shrimp is known from 19 populations in the Central Valley, ranging from east of Redding in Shasta County south to Fresno County, and from a single vernal pool complex located on the San Francisco Bay National Wildlife Refuge in Alameda County. The species inhabits vernal pools containing clear to highly turbid water, ranging in size from 54 square feet in the Mather Air Force Base area of Sacramento County, to the 89-acre Olcott Lake at Jepson Prairie in Solano County. Vernal pools at Jepson Prairie and Vina Plains (Tehama County) have a neutral pH, and very low conductivity, total dissolved solids, and alkalinity (Barclay and Knight 1984; Eng *et al.* 1990). These pools are located most commonly in grass-bottomed swales of grasslands in old alluvial soils underlain by hardpan or in mud-bottomed claypan pools containing highly turbid water.

Vernal pool tadpole shrimp have large, shield-like carapaces approximately 1 inch long that covers most of their body, dorsal, compound eyes; and a pair of long cercopods, one on each side of a flat caudal plate, at the end of their last abdominal segment. Vernal pool tadpole shrimp are primarily bottom-dwelling animals that move with legs down while feeding on detritus and living organisms, including fairy shrimp and other invertebrates (Pennak 1989). Females deposit cysts (partially developed embryos encased in an egg-like structure) which settle on the pool bottom. Although some cysts may hatch quickly, others remain dormant to hatch during later rainy seasons (Ahl 1991). When winter rains refill inhabited wetlands, tadpole shrimp reestablish from dormant cysts and may become sexually mature within three to four weeks after hatching (Ahl 1991, Helm 1998). Reproductively mature adults may be present in pools until the habitats dry up in the spring (Ahl 1991; Gallagher 1996, Simovich *et al.* 1992).

The primary historic dispersal method for the vernal pool tadpole shrimp was likely large scale flooding resulting from winter and spring rains which allowed colonization of different individual vernal pools and other vernal pool complexes. This dispersal is prohibited by the construction of dams, levees, and other flood control measures, and widespread urbanization within significant portions of the range of this species. Waterfowl and shorebirds likely are now the primary dispersal agents for vernal pool tadpole shrimp and vernal pool fairy shrimp (Brusca 1992, Simovich 1992). The eggs of these crustaceans are either ingested (Krapu 1974, Swanson *et al.* 1974, Driver 1981, Ahl 1991) and/or adhere to the legs and feathers where they are transported to new habitats.

There is one known occurrence of the vernal pool tadpole shrimp from the Roseville USGS quadrangle (CNDDDB 2005). The Service believes that the vernal pool tadpole shrimp is reasonably certain to occur within the action area because of the biology and ecology of the animal, the presence of suitable habitat in and adjacent to the action area, as well as the recent observations of this listed species

Environmental Baseline

The vernal pool tadpole shrimp and vernal pool fairy shrimp are imperiled by a variety of human-caused activities, primarily urban development, water supply/flood control projects, and land conversion for agricultural use. Habitat loss occurs from direct destruction and modification of pools due to filling, grading, discing, leveling, and other activities, as well as modification of surrounding uplands which alters vernal pool watersheds. Other activities which adversely affect these species include off-road vehicle use, certain mosquito abatement measures, and pesticide/herbicide use.

In addition to direct habitat loss, the vernal pool habitat for the vernal pool tadpole shrimp and vernal pool fairy shrimp has been and continues to be highly fragmented throughout their ranges due to conversion of natural habitat for urban and agricultural uses. This fragmentation results in small isolated vernal pool tadpole shrimp and vernal pool fairy shrimp populations. Such populations may be highly susceptible to extirpation due to chance events, inbreeding depression, or additional environmental disturbance (Gilpin and Soule 1986; Goodman 1987a; 1987b). If an extirpation event occurs in a population that has been fragmented, the opportunities for recolonization would be greatly reduced due to physical (geographical) isolation from other (source) populations.

Holland (1978) estimated that between 67 and 88 percent of the area within the Central Valley of California which once supported vernal pools had been destroyed by 1973. In the ensuing years, threats to this habitat type have continued and resulted in a substantial amount of vernal pool habitat being converted for human uses in spite of Federal regulations implemented to protect wetlands. Current rapid urbanization and agricultural conversion throughout the ranges of these two species continue to pose the most severe threats to the continued existence of the vernal pool tadpole shrimp and vernal pool fairy shrimp. The Corps' Sacramento District has several thousand vernal pools under its jurisdiction (Coe 1988), which includes most of the known populations of these listed species. It is estimated that 60 to 70 percent of these pools will be destroyed by human activities by the year 2008 (Coe 1988). Of the several thousand vernal pools that are located around Sacramento, Coe (1988) suggested that perhaps 1,800 vernal pools will be impacted due to future development in western Placer County alone.

Western Placer County is located in the Southeastern Sacramento Vernal Pool Region, one of 17 vernal pool regions in the State of California defined by the California Department of Fish and Game in the California Vernal Pool Assessment Preliminary Report (Keeler-Wolf *et al* 1998). The regions were identified according to biological, geomorphological, and soils information.

The Southeastern Sacramento Valley Vernal Pool Region contains almost 15% of the remaining vernal pool grasslands in the State of California, and supports 35% of the known occurrences of the vernal pool fairy shrimp documented in the California Natural Diversity Database. It is the most threatened by development of the 17 regions. According to Holland (1998), Placer County has lost 1,525 acres of vernal pool habitat from 1994 to 1997, at a rate of approximately 508 acres per year, or just over 1 percent per year.

Development projects within western Placer County and critical habitat Unit 12 for the vernal pool fairy shrimp include the Highland Reserve, Highland Reserve North, Sunset West, Stanford Ranch, Twelve Bridges, Sun City Lincoln Hills, Lincoln 3-D South, and Stoneridge Specific Plan Area, (Olympus Oaks, Cavitt Ranch projects). These development projects have reduced the number of vernal pool complexes within the area. These developments and others within the region have resulted in both direct and indirect effects to vernal pools, and have contributed to the loss of vernal pool fairy shrimp and vernal pool tadpole shrimp occurrences. Although the reduction of federally-listed vernal pool crustacean populations has not been quantified, the acreage of lost habitat continues to grow. General and Specific Plans for the western Placer County area such as the proposed Placer Vineyards, Three-D South, Whispering Springs, Placer Parkway, Lincoln Crossing, Aitkens Ranch, Sundance, Lincoln 270 Annex, and the State Route 65 bypass, as well as numerous other proposed housing, industrial, infrastructure, energy facilities, universities, hospitals, and other development projects in and around the city of Lincoln, Rocklin, Roseville and in Placer County have identified significant, unavoidable impacts to biological communities, including elimination of vernal pools, intermittent drainages and other seasonal wetlands. Despite these impacts, city and county governments continue to approve development projects within the area.

EFFECTS OF THE PROPOSED ACTION

Direct Effects

The construction of the proposed project will result in the death of all vernal pool fairy shrimp and vernal pool tadpole shrimp inhabiting 1.98 acres of vernal pool habitat. In addition, the proposed project would result in the loss of surrounding upland habitat.

Indirect Effects

Vernal pool habitat indirectly affected includes all habitat supported by future destroyed upland areas and swales, and all habitat otherwise damaged by loss of watershed, human intrusion, introduced species, and pollution that will be caused by the project. The project will result in indirect effects to 3.4 acres of vernal pool habitat, which includes all habitat supported by future destroyed upland areas and swales, and all habitat otherwise damaged by loss of watershed, human intrusion, introduced species, and pollution that will be caused by the project. A description of potential indirect effects follows.

Erosion - The ground disturbing activities in the watershed of vernal pools associated with the proposed project action area are expected to result in siltation when pools fill during the wet season following construction. Siltation in pools supporting listed crustaceans may result in decreased cyst viability, decreased hatching success, and decreased survivorship among early life history stages, thereby reducing the number of mature adults in future wet seasons. The proposed project construction activities could result in increased sedimentation transport into vernal pool crustacean habitats during periods of heavy rains.

Changes in hydrology - The biota of vernal pools and swales can change when the hydrologic regime is altered (Bauder 1986, 1987). Survival of aquatic organisms like the vernal pool fairy shrimp and vernal pool tadpole shrimp are directly linked to the water regime of their habitat (Zelder 1987). Therefore, construction near vernal pool areas will, at times, result in the decline of local sub-populations of vernal pool organisms, including fairy shrimp and tadpole shrimp.

Introduction of non-natives - There is an increased risk of introducing weedy, non-native plants into the vernal pools both during and after project construction due to the soil disturbance from clearing and grubbing operations, and general vegetation disturbance associated with the use of heavy equipment.

Chemical contamination - The runoff from chemical contamination can kill listed species by poisoning. Oils and other hazardous materials associated with construction equipment could be conveyed into the vernal pool crustacean habitats by overland runoff during the rainy season, thereby adversely affecting water quality. Many of these chemical compounds are thought to have adverse effects on the listed vernal pool crustaceans and/or their cysts. Individuals may be killed directly or suffer reduced fitness through physiological stress or a reduction in their food base due to the presence of these chemicals.

In addition to the adverse effects detailed above, the proposed project will contribute to a local and range-wide trend of habitat loss and degradation, the principal reasons that the vernal pool fairy shrimp and vernal pool tadpole shrimp have declined. The proposed project will contribute to the fragmentation and reduction of the acreage of the remaining listed vernal pool crustacean habitat located in Placer County and throughout the range of these two listed vernal pool crustaceans.

Cumulative Effects

Cumulative effects include the effects of future State, Tribal, local or private actions that are reasonably certain to occur in the action area considered in this biological opinion. Future Federal actions that are unrelated to the proposed action are not considered in this section because they require separate consultation pursuant to section 7 of the Act.

Because the vernal pool tadpole shrimp and vernal pool fairy shrimp are endemic to vernal pools in the Central Valley, coast ranges, and a limited number of sites in the transverse range and Santa Rosa Plateau of California, the Service anticipates that a wide range of activities will affect these species and their critical habitat. Such activities include, but are not limited to, urban,

water, flood control, highway and utility projects, chemical contaminants, as well as conversion of vernal pools to agricultural use. Many of these activities will be reviewed under section 7 of the Act as a result of the Federal nexus provided by section 404 of the Clean Water Act. These cumulative effects will likely lead to the continued loss of the primary constituent elements for the designated critical habitat unit 12 for vernal pool fairy shrimp, which in turn will negatively influence the function and conservation role of the critical habitat Unit 12 for the vernal pool fairy shrimp.

Conclusion

After reviewing the current status of the vernal pool tadpole shrimp and vernal pool fairy shrimp, the environmental baseline for the area covered by this biological opinion, the effects of the proposed project, and the cumulative effects, it is the Service's biological opinion that the Nader Property project, as proposed, is not likely to jeopardize the continued existence of the vernal pool tadpole shrimp and vernal pool fairy shrimp. The proposed project is not located within designated critical habitat for the vernal pool fairy shrimp or the vernal pool tadpole shrimp, therefore, critical habitat for these species will not be affected.

INCIDENTAL TAKE STATEMENT

Section 9(a)(1) of the Act and Federal regulation pursuant to section 4(d) of the Act prohibit the take of endangered and threatened fish and wildlife species without special exemption. Take is defined as harass, harm, pursue, hunt, shoot, wound, kill, trap, capture or collect, or to attempt to engage in any such conduct. Harass is defined by the Service as an intentional or negligent act or omission which creates the likelihood of injury to a listed species by annoying it to such an extent as to significantly disrupt normal behavioral patterns which include, but are not limited to, breeding, feeding, or sheltering. Harm is defined by the Service to include significant habitat modification or degradation that results in death or injury to listed species by impairing behavioral patterns including breeding, feeding, or sheltering. Incidental take is defined as take that is incidental to, and not the purpose of, the carrying out of an otherwise lawful activity. Under the terms of section 7(b)(4) and section 7(o)(2), taking that is incidental to and not intended as part of the agency action is not considered to be prohibited taking under the Act provided that such taking is in compliance with this Incidental Take Statement.

The measures described below are non-discretionary, and must be implemented by the agency so that they become binding conditions of any grant or permit issued to the applicant, as appropriate, in order for the exemption in section 7(o)(2) to apply. The Corps has a continuing duty to regulate the activity covered by this incidental take statement. If the Corps (1) fails to require the applicant to adhere to the terms and conditions of the incidental take statement through enforceable terms that are added to the permit or grant document, and/or (2) fails to retain oversight to ensure compliance with these terms and conditions, the protective coverage of section 7(o)(2) may lapse.

Amount or Extent of Take

The Service anticipates incidental take of the vernal pool fairy shrimp and vernal pool tadpole shrimp will be difficult to detect or quantify. The cryptic nature of these species and their relatively small body size make the finding of a dead specimen unlikely. The species occur in habitats that make them difficult to detect. Due to the difficulty in quantifying the number of individuals that will be taken as a result of the proposed action, the Service is quantifying take incidental to the project as the number of acres of vernal pools/ponded depressions (vernal pool crustacean habitat) that will become unsuitable for vernal pool crustaceans due to direct or indirect effects as a result of the action. Therefore, the Service estimates that all vernal pool fairy shrimp and vernal pool tadpole shrimp inhabiting 5.38 acres (1.98 acres direct and 3.4 acres indirect) of vernal pool habitat will become harassed, harmed, injured, or killed, as a result of the proposed action.

The incidental take associated with the proposed action on vernal pool fairy shrimp and vernal pool tadpole shrimp is hereby exempted from prohibitions of take under section 9 of the Act.

Effect of the Take

The Service has determined that this level of anticipated take is not likely to result in jeopardy to the listed species in this opinion or result in destruction or adverse modification of critical habitat.

Reasonable and Prudent Measures

The following reasonable and prudent measures are necessary and appropriate to minimize the effects of the project on vernal pool fairy shrimp and vernal pool tadpole shrimp.

1. The effects to federally-listed vernal pool crustaceans resulting from habitat modification and habitat loss shall be minimized.
2. The effects to federally-listed vernal pool tadpole shrimp and vernal pool fairy shrimp from project construction shall be minimized.

Terms and Conditions

In order to be exempt from the prohibitions of section 9 of the Act, the project applicant must comply with the following terms and conditions, which implement the reasonable and prudent measures described above. These terms and conditions are nondiscretionary.

The following terms and conditions implement reasonable and prudent measure one (1) and two (2):

- a. Prior to the start of any ground-disturbing activities at the proposed project site, as described in the project description of this biological opinion, and in the

February 24, 2006, letter from ECORP Consulting to the Service, the project applicant will preserve at least 16.14 acres of aquatic vernal pool habitat, and restore/create 1.98 acres of aquatic vernal pool habitat at an off-site location within Placer County. The off-site location shall be approved by the Service. In addition, 0.38 acre of aquatic vernal pool habitat will be preserved on-site.

- b. The on-site and off-site preserve will include the following measures
- i. Prior to any ground-disturbing activities associated with the proposed project, the project applicant shall place a Service-approved conservation easement on the proposed on-site and off-site preservation site to designate the area as a vernal pool preserve and for it to be managed in perpetuity for the protection of federally-listed vernal pool crustacean species. The easement will be held by a third party approved by the Service
 - ii. Prior to any ground-disturbing activities associated with the proposed project, the project proponent shall establish a Service-approved endowment fund to fully fund the maintenance, management and monitoring of the on-site and off-site preserve. The principal in the fund will generate sufficient revenue to cover the costs of activities including but not limited to alien plant species control, maintenance of fencing, monitoring of vernal pool crustacean habitat, and remediation of indirect effects in perpetuity. This endowment will be made to a Service-approved entity. Specific actions covered under the endowment will be addressed in the Management and Monitoring Plan (further described below)
 - iii. Prior to any ground-disturbing activities associated with the proposed project, a management and monitoring plan shall be formulated for the on-site and off-site preserve area. The plan will be approved by the Service, and will include but not be limited to the following components: discussions of the management and maintenance in perpetuity of habitat for the vernal pool crustaceans within the on-site and off-site preserve areas; discussions of runoff control and maintenance of hydrology of the aquatic habitat, provisions for management and maintenance in perpetuity of upland habitat within the on-site and offsite preserves, discussion of grazing strategies, alien species control, sedimentation, erosion, and controlled burning; provisions for creating a position for a preserve manager that would undertake the duties of implementing the management plan, provisions for a monitoring program to be set up and implemented by the preserve manager, with a monitoring report that addresses the ecological functions of the preserve including whether the preserve is adversely affected by adjacent development, and if the maintenance/management plan is successful

- iv. The Preserve Management Plan will include a list of prohibited activities that are inconsistent with the maintenance of the suitability of the vernal pool crustacean habitat, including, but not limited to: (1) a restriction that no vehicles (including but not limited to passenger vehicles, motorcycles, bicycles, and off-road recreational vehicles) will be allowed or operated on the preserve by owners, renters, or lessees, (2) alteration of existing topography or any other alteration or uses for any purposes, including the exploration for, or development of mineral extraction, (3) placement of any structures in the preserve, (4) dumping and/or burning of rubbish, garbage, or any other wastes or fill materials; (5) building of any roads or trails; (6) killing, removal, alteration, or replacement of any existing native vegetation; (7) placement of storm water drains or other diversion or alteration of water that would disturb the existing hydrologic characteristics of the preserve and associated watersheds, (8) fire protection activities not required to protect existing structures, (9) use of pesticides, rodenticides, and herbicides within the preserve, and (10) actions that would degrade the quality of runoff from the proposed project site
 - c. Runoff from dust control and hazardous materials shall be retained in the construction site and prevented from flowing into the on-site wetland preserves or permanent waterways. To control erosion during and after project implementation, the applicant shall implement best management practices (BMP's), as identified by the Central Valley Regional Water Quality Control Board. Erosion control measures and BMP's that prevent soil or sediment from entering the river shall be placed, monitored for effectiveness, and maintained throughout the construction operations.
 - d. All avoided vernal pool crustacean habitat shall be demarcated with orange plastic construction fencing and maintained daily throughout the duration of construction of the proposed project.
 - e. A Service-approved biologist shall be onsite during all initial groundbreaking activities associated with the proposed project to ensure that construction equipment does not enter the avoided vernal pool habitat. At least 30 calendar days prior to initiating construction activities the project proponents shall submit to the Service for approval the names and curriculum vitae of the biological monitor(s) for the project
 - f. All construction personnel associated with the proposed project shall attend a Worker Environmental Awareness Training Program before beginning work within the proposed project site. The program will provide workers with information on their responsibilities with regard to the vernal pool crustaceans, an overview of the life-history of these species, information on the protections afforded to these species under the Act and take prohibitions, and an explanation
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Mr. Thomas Cavanaugh

of the relevant terms and conditions of this biological opinion. Written documentation of the training must be submitted to the Chief of the Endangered Species Division (Sacramento Valley) at the Sacramento Fish and Wildlife Office

- g. The uppermost layer of soil in seasonally ponded habitat may contain cysts of listed crustaceans as well as seeds of vernal pool plants. Therefore, before these wetlands are filled, the top layer of soil shall be made available to any vernal pool creation bank that requests it, with Service approval, for inoculating newly created pools. Soil stockpiled for this purpose or for on-site creation shall be shielded from rain with a water-proof cover to ensure that it remains completely dry.
- h. The project applicant shall complete the reporting requirements below

Reporting Requirements

The Sacramento Fish and Wildlife Office is to be notified within one working day of the finding of any dead federally-listed species or any unanticipated harm to the species addressed in this biological opinion. The Service contact person for this is the Chief of Endangered Species Division (Central Valley) at (916) 414-6600 and the Resident Agent-in-Charge of the Service's Law Enforcement Division at (916) 414-6660.

The Corps must require the applicant to report to the Service immediately any information about take or suspected take of federally-listed species not authorized in this opinion. The Corps must notify the Service within 24 hours of receiving such information. Notification must include the date, time, and location of the incident or of the finding of a dead or injured animal. The Service contact is the Resident Agent-in-Charge of the Service's Law Enforcement Division at (916) 414-6660.

Any contractor or employee who during routine operations and maintenance activities inadvertently kills or injures a listed wildlife species must immediately report the incident to their representative. This representative must contact the California Department of Fish and Game immediately in the case of a dead or injured listed species. The California Department of Fish and Game contact for immediate assistance is State Dispatch at (916) 445-0045.

CONSERVATION RECOMMENDATIONS

Section 7(a)(1) of the Act directs Federal agencies to utilize their authorities to further the purposes of the Act by carrying out conservation programs for the benefit of endangered and threatened species. Conservation recommendations are discretionary agency activities that can be implemented to further the purposes of the Act, such as preservation of endangered species habitat, implementation of recovery actions, or development of information and data bases. The Service recommends the following conservation measures.

1. The Corps should work with the Service to establish functioning preserve and creation banking systems in each county inhabited by these animals to further the conservation of listed vernal pool crustacean species. Such banking systems could incorporate other Corps-required mitigation (i.e., seasonal wetlands, riparian habitats, etc.).
2. The Corps should assist the Service in their implementation of the February 2006 *Recovery Plan for Vernal Pool Ecosystems of California and Southern Oregon*

In order for the Service to be kept informed of actions minimizing or avoiding adverse effects or benefiting listed species or their habitats, the Service requests notification of the implementation of any conservation recommendations.

REINITIATION—CLOSING STATEMENT

This concludes formal consultation on the proposed Nader Property Project. As provided in 50 CFR §402.16, reinitiation of formal consultation is required where discretionary Federal agency involvement or control over the action has been maintained (or is authorized by law) and if (1) the amount or extent of incidental take is exceeded; (2) new information reveals effects of the agency action that may affect listed species or critical habitat in a manner or to an extent not considered in this opinion; (3) the agency action is subsequently modified in a manner that causes an effect to the listed species or critical habitat that was not considered in this opinion; or, (4) a new species is listed or critical habitat designated that may be affected by the action. In instances where the amount or extent of incidental take is exceeded, any operations causing such take must cease pending reinitiation.

Please contact Rick Kuyper or Holly Herod, the Sacramento Valley Branch Chief at (916) 414-6645, if you have any questions regarding the Nader Property Project

Sincerely,



Kenneth D. Sanchez
Acting Field Supervisor

cc:

Jeff Finn, California Department of Fish and Game, Rancho Cordova, California
Cameron Johnson, ECORP Consulting, Inc., Oakland, California

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EXHIBIT D
Appraisal Procedure

Selection of Appraiser. The Purchase Price for the Easement shall equal the Market Value (as defined below) of the Easement as determined by one (1) or more appraiser(s) that are selected by Seller and Buyer as provided below and have the qualifications described below. The Market Value of the Easement shall be determined by one (1) or more independent qualified M.A.I. appraisers with at least five (5) years of experience appraising property similar to, and in the same general geographic location as, the Easement Property. City shall, within thirty (30) days after receipt of the Buyer Closing Notice, provide Buyer with a list of three (3) qualified appraisers and Buyer shall, within then (10) days thereafter, select one of those appraisers. The appraiser selected by Buyer shall then, under contract with Buyer at Buyer's cost, proceed to complete the appraisal as herein set forth as soon as reasonably practical but no later than sixty (60) days from such selection. The appraiser shall determine the "**Market Value**" of the Easement in accordance with the procedures described in Section A below

Within thirty (30) days after completion of the first appraisal, if Buyer disagrees with the appraisal then Buyer can retain a second appraiser at Buyer's cost to determine the Market Value of the Easement. That second appraisal shall be completed within forty-five (45) days after completion of the first appraisal. If the appraisals are within five percent (5%) of each other, then the Market Value will equal the average of the two (2) appraisals. If the two (2) appraisals are not within five percent (5%), then the two (2) appraisers shall thereafter appoint a third (3rd) appraiser within ten (10) days following the completion of such appraisals. If the two (2) selected appraisers fail to appoint a third (3rd) appraiser within such time period, then either Buyer or Seller may petition a court of competent jurisdiction to appoint a third (3rd) appraiser, in the same manner as provided for the appointment of an arbitrator pursuant to California Code of Civil Procedure section 1281.6. The third (3rd) appraiser shall then determine the Market Value in the same manner as the initial appraisers above. The two (2) appraisals which are nearest in amount shall be retained, and the third (3rd) appraisal shall be discarded. The average of the two (2) retained appraisals shall constitute the Market Value of such Easement.

Buyer shall pay the costs of all the appraisers.

- A Appraisal Terms. The Market Value of the Easement shall be equal to (i) the difference between the Market Value of the Easement Property before recordation of the Easement (the "Pre-Easement Value") less the Market Value of the Easement Property after recordation of the Easement (the "Post-Easement Value") PLUS (ii) 10% of that difference.

1. Pre-Easement Value

- a. The appraiser(s) shall first determine the Pre-Easement Value by applying the non-condemnation definition of "Market Value" as defined in the Uniform Standard of Professional Appraisal Practice

for the Property, which is the most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms for which the Easement Property should sell after a reasonable exposure in a competitive market under all conditions requisite to fair sale, with a buyer and seller each acting prudently, knowledgeable and for self-interest, and assuming that neither is under undue duress and assuming the highest and best use of the Easement Property.

- b. The appraiser(s) shall all use the date of the Buyer Closing Notice as the valuation date in determining the Market Value of the Easement Property
- c. The appraiser(s) shall assume that such Easement Property is being sold with the existing "Permitted Exceptions" (as defined in the Agreement) on an "AS-IS" basis without any representations or warranties, except for those representations and warranties made by Seller in the Agreement.
- d. The appraiser(s) shall assume that the Easement Property would be sold in one (1) sale.
- e. The appraiser(s) shall determine the highest and best use and then use the sales comparison approach to determine the Market Value.

2. Post-Easement Value.

- a. The appraiser(s) shall first apply the sales comparison approach if there are comparable sales of other similar properties subject to a similar Easement in this area of Placer County.
- b. If sales comparables are not available, then the appraiser(s) shall use an income approach if the Easement Property, subject to the restrictions in the Agency Permits and Easement, can still produce any income assuming the highest and best use of the Easement Property which is permitted by the Agency Permits and Easement.

- B. Appraiser(s)' Report Following the determination by the appraiser(s) of the Purchase Price of the Easement, the report prepared by such appraiser(s) (the "Appraiser's Report") shall describe the methodology and assumptions made by such appraiser(s) in the preparation of its appraisal.

Exhibit E
Right of Entry Agreement

RIGHT OF ENTRY AGREEMENT

THIS AGREEMENT made and entered into this 3RD day of March 2010, by and between The City of Lincoln, herein referred to as Grantor(s), and Lincoln Land Holdings herein referred to as Grantee.

For and in consideration of the covenants and agreements contained in the Agreement For An Exclusive Right To Negotiate, Dated February 11, 2010, Grantor(s) do hereby grant unto the Grantee, its agents, employees, contractors and assigns, the right and privilege upon reasonable prior notice to the City to enter upon the real property described on exhibit A near its Waste Water Treatment and Reclamation Facility, for the purposes of conducting due diligence, investigation and analysis of the property in order to determine the property's feasibility for use as a mitigation resource area and the time necessary for LLH to prepare a mitigation feasibility report for the expressed herein. Grantee shall limit the area of work to the above-referenced area of Exhibit A.

The specific purpose for which this Agreement is made is to permit the Grantee, its agents, employees, and assigns, the right and privilege to enter upon the described real property with certain equipment, for the purpose to evaluate the extent and types of biological resources, vernal pools and associated wetlands on the above referenced property for their potential use by the City and LLH and/or the potential for sale of certain mitigation rights therein to third parties

The Grantee agrees to save and hold harmless the Grantor(s) from any liability that may arise in connection with the work to be performed and for the duration of needed access.

IN WITNESS WHEREOF, the parties have signed this Agreement in duplicate the date first above written

By: [Signature]
Title: CITY MANAGER
GRANTOR(S) 3.3.10

ATTEST:

[Signature]
Title: CITY CLERK
3.3.10

By: [Signature] 3.25.10
Title: Authorizer Agent
GRANTEE

ATTEST:

Title: _____

EXHIBIT F-1

CONSERVATION EASEMENT FUNDING, MANAGEMENT, AND MAINTENANCE AGREEMENT

This CONSERVATION EASEMENT FUNDING, MANAGEMENT, AND MAINTENANCE AGREEMENT (the "CEFMM Agreement") dated _____, 2011 (the "Effective Date") for reference, is made and entered into by the **CITY OF LINCOLN**, a municipal corporation (the "City"), **LINCOLN LAND HOLDINGS, LLC**, a Delaware limited liability company ("Developer"), and the _____ **LAND CONSERVANCY**, a California non-profit corporation ("Conservancy") with reference to the following facts.

RECITALS

A. This CEFMM Agreement concerns that certain real property described on Exhibit "A" attached hereto which is owned by the City and encumbered by that certain Conservation Easement attached hereto as Exhibit "B" (the "Conservation Easement"). That property is referred to herein and in the Conservation Easement as the "Conservation Area."

B. The purpose of this CEFMM Agreement is to allocate between the City, Developer, and Conservancy the rights and responsibilities for the funding, enhancement, management, inspection, monitoring, and maintenance of all of the wetlands, vernal pools, habitat and species within the Conservation Area, and related reporting as identified in Exhibit "C" attached hereto (the "Mitigation").

C. The Conservation Easement was purchased by Developer, as part of the development of that portion of the Village 7 Specific Plan owned by Developer identified on Exhibit "A-1" attached hereto (the "Developer Project") to provide mitigation and habitat preservation and enhancement opportunities and was approved by the City following public input, agency review by the U.S. Army Corps of Engineers ("ACOE"), California Department of Fish and Game ("CDFG") and California Regional Water Quality Control Board ("CRWQCB"), (collectively, the "Agencies"), and extensive analysis of environmental conditions.

D. The Conservation Easement and Mitigation was approved by the ACOE, CDFG, and CRWQCB pursuant to (i) U.S. Army Corp of Engineers Section 404 Permit No. _____, dated _____, 20__, (ii) California Regional Water Quality Control Board Section 401 Water Quality Certification No. _____, dated _____, 20__, and (iii) the CEFMM Agreement Regarding Proposed Stream or Lake Alteration Notification No. _____ executed by Developer and CDFG, dated _____, 20__ (collectively, the "Agency Permits").

E. Consistent with the Environmental Impact Report for the Developer Project (the "EIR") and the Agency Permits, the Mitigation mitigates for impacts by the Developer Project to existing wetlands and to existing species.

F. To fulfill the requirements of the Village 7 Specific Plan, the EIR, and the Agency Permits for wetlands, vernal pools, and habitat mitigation, in the Conservation Area, and for the monitoring, inspections, and maintenance of the Conservation Area, that certain Mitigation, Plan dated _____, 20__ (the "Mitigation Plan") was prepared by ECORP Consulting, Inc. ("Consultant") in consultation with the ACOE, DFG, CRWQB, and City, a copy of which is attached hereto as Exhibits "D" and incorporated herein by this reference (collectively the "Mitigation Plan").

G. The goal of the Mitigation Plan is to ensure that the Mitigation and Conservation Area are enhanced and maintained in good condition such that they will achieve and meet the long-term conservation requirements in the Agency Permits (the "Conservation Values"), in perpetuity, and to define the specific methods necessary to meet this goal. Conservation Values are defined as the physical, biological, and environmental processes needed to maintain the Mitigation and Conservation Area.

H. It is the intent of the parties that, pursuant to the Mitigation Plan, Agency Permits, and the Conservation Easement, (i) the Conservancy shall be responsible for certain monitoring and inspection obligations with respect to the Mitigation and Conservation Area, (ii) the Developer and Financing District (as defined below) shall be responsible for the long-term maintenance of the Mitigation and Conservation Area and the Perimeter Improvements under the supervision of the Conservancy (as identified in the Conservation Easement), and (iii) the Developer shall be responsible for any wetland enhancement or construction required by the Agency Permits and to cause all required inspections and reporting to be completed annually under the Agency Permits for the five (5) year term of the Agency Permits. all as generally set forth on Exhibit "E" attached hereto (the "Maintenance Chart").

I. It is the intent of the parties that the costs of the Mitigation will be funded initially by Developer and later by an improvement district, landscape and lighting district, or community facilities district (a "Financing District") funded by special taxes levied on future homebuyers within the Developer Project as described in Exhibit "F" attached hereto (the "Financing Plan").

J. The City, Conservancy, and Developer are entering this CEFMM Agreement to memorialize their respective understandings concerning their rights and their maintenance and monitoring obligations with respect to the Mitigation and the Conservation Area.

AGREEMENT

NOW, THEREFORE, for valuable consideration, the receipt and adequacy of which are hereby acknowledged, and in consideration of the covenants and conditions of this CEFMM Agreement, the parties agree as follows:

1. **Recitals.** Each of the above recitals is incorporated herein, and each is true and correct.
2. **Conservation Area Ownership and Condition of Title.** Fee title to the Conservation Area shall vest in the City, subject to the Conservation Easement.

3. **Monitoring and Inspection Obligations.** The Conservancy shall, from and after the execution of the CEFMM Agreement, monitor and inspect the Conservation Areas and Mitigation as required in the Maintenance Schedule attached hereto and in compliance with the terms, conditions and standards of the Mitigation Plan. The Conservancy shall be responsible for maintaining a file containing the monitoring and inspection reports activities performed hereunder by the Conservancy, notifying the City of corrective action necessary to ensure performance of the habitat within the Conservation Area, and working with the monitoring biologist and the Developer and Financing District.

4. **Maintenance Obligations.** The Developer and/or Financing District shall contract with qualified consultants and contractors, approved by the Conservancy to maintain the Perimeter Improvements (as defined in the Conservation Easement) and all interior fencing abutting the existing east/west sewer easement, as identified in the Maintenance Schedule, and maintain the Conservation Area in good, safe condition and repair, in compliance with the terms, conditions and standards of the Mitigation Plan.

5. **Developer's Obligations.** Developer shall be responsible for funding the cost of the work in Paragraphs 3 and 4 above by its initial payment of \$_____ to the Conservancy and thereafter funding the cost and coordinating with the City to form a Financing District that will fund such costs by collecting payments of special taxes and/or assessments from future Developer Project homeowners in accordance with the Financing Plan. Developer shall also be responsible for coordinating any initial wetland enhancement or construction work and for all annual biological inspections of the Conservation Areas by a qualified biologist hired by Developer and for submitting all annual reports to ACOE, DFG and CRWQCB regarding the status of the Conservation Areas as required by the Agency Permits and the Mitigation Plan and for those 5-year reporting requirements in the Agency Permits.

6. **Compliance with All Laws.** When using the Conservation Area as permitted hereunder or when performing any of its obligations hereunder, each party agrees to comply with all rules, regulations and requirements of any local, state or federal agency applicable thereto, including without limitation, the applicable limitations, restrictions and requirements of the Conservation Easement, Mitigation Plan and Agency Permits.

7. **Annual Compliance Review.** The City, Developer, and the Conservancy shall meet at least annually to review and coordinate the parties' performance under this CEFMM Agreement. The parties, at such meeting, shall confirm the parties' respective maintenance and monitoring obligations as set forth herein and attempt to resolve in good faith any dispute or disagreement with respect to the allocation among the parties of any particular maintenance obligation or matter covered by this CEFMM Agreement. Developer shall cease to have any responsibility under this CEFMM Agreement upon completion of the 5-year reporting requirements in the Agency Permits.

8. **Default** A party hereto shall be deemed in default hereunder if such party fails to observe or perform any of its obligations hereunder, where such failure continues for sixty (60) days after written notice thereof is received by such party from the other party, or fails to cure

such default within any shorter period of time required by ACOE, DFG, or CRQCB or other public entity having jurisdiction over the maintenance of the Conservation Area. Provided, however, if the nature of such default is such that the same cannot reasonably be cured within such sixty (60) day (or shorter) period, such party shall not be deemed to be in default of its obligations to the other party hereunder if the party shall, within such sixty (60) day (or shorter) period, commence such cure and thereafter diligently prosecute the same to completion. If, after sixty (60) days from its receipt of a notice to cure, the defaulting party has not cured (or has not commenced and diligently prosecuted the cure of) the noticed default, then the non-defaulting party hereto may cure the event of default described in the notice at the defaulting party's expense. If a non-defaulting party hereto pays any sum or incurs any expense in curing an event of default, the defaulting party shall reimburse the non-defaulting party upon demand for the amount of such payment or expense with interest at the rate of ten percent (10%) per annum from the date the sum is demanded in writing until the non-defaulting party is reimbursed by the defaulting party.

9. **Indemnification.** In the event that any party hereto, in carrying out its obligations hereunder, disturbs improvements or facilities to be maintained by another party hereunder, the disturbing party shall replace and restore such improvements or facilities to their prior condition. In addition the each party shall indemnify, defend and hold the other parties harmless from and against all damages, liabilities, causes of action, and expenses (including reasonable attorney fees and costs) (collectively, "**Claims**") arising out of, or in any way connected with, the performance or non-performance by the indemnitor, of the indemnitor's obligations required under this CEFMM Agreement

10. **Notice.** Notice shall be sent to the parties at the addresses set forth below. Any notice required or permitted to be delivered hereunder shall be in writing and personally delivered or sent by United States mail, postage prepaid, certified or registered mail, return receipt requested, by facsimile transmission or by electronic mail if sent prior to 5:00 p.m. P.S.T. on a business day, or sent by Federal Express or similar nationally or regionally recognized overnight courier service ("overnight mail"), and shall be deemed received upon personal delivery to the party to whom the notice is directed or, if sent by mail, three business days following its deposit in the United States mail, postage prepaid, addressed to the recipient at the address set forth below (or such other address as such party may specify by notice given pursuant to this Section), or if sent by Overnight Mail, the next business day after the business day of delivery to the overnight courier, or if sent by fax or by electronic mail, the business day transmitted: Either party may change the address by giving written notice to the other:

City:

City of Lincoln
600 Sixth Street
Lincoln, CA 95648
Attn: City Manager
Fax: _____
Email: _____

with copy to:

City of Lincoln
600 Sixth Street
Lincoln, CA 95648
Attention: City Attorney

Phone: _____

Email: _____

Fax: _____

Conservancy:

_____ Land Conservancy

Attn: _____

Fax: _____

Email: _____

Developer:

Lincoln Land Holdings, LLC

c/o Lewis Operating Corp.

9216 Kiefer Blvd. #4

Sacramento, CA 95826

Attn: Doug Mull

Fax. (916) 364-9353

Email. Doug.mull@lewisop.com

11. **Successors and Assignees.** This CEFMM Agreement may not be assigned by either party without the prior written consent of the other party, which shall not be unreasonably withheld. Notwithstanding the foregoing, the City may assign this Agreement to another governmental entity such as a Joint Powers Authority or to the Regional Wastewater Treatment District. Subject to an approved assignment, this CEFMM Agreement shall inure to the benefit of and be binding upon the parties' respective successors and assigns.

12. **Construction.** Headings at the beginning of each paragraph and subparagraph are solely for the convenience of the parties and are not a part of the CEFMM Agreement. Whenever required by the context of this CEFMM Agreement, the singular shall include the plural and the masculine shall include the feminine and vice versa. This CEFMM Agreement shall not be construed as if it had been prepared by one of the parties, but rather as if both parties had prepared the same. Unless otherwise indicated, all references to paragraphs, sections, subparagraphs and subsections are to this CEFMM Agreement. All exhibits referred to in this CEFMM Agreement are attached and incorporated by this reference.

13. **Performance.** Time is of the essence in the performance of this CEFMM Agreement and every covenant and condition hereto.

14. **Entire Agreement.** This CEFMM Agreement (including all Exhibits attached hereto) is the final expression of, and contains the entire agreement between, the parties with respect to the subject matter hereof and supersedes all prior understandings with respect thereto. This CEFMM Agreement may not be modified, changed, supplemented, superseded, canceled or terminated, nor may any obligations hereunder be waived, except by written instrument signed by the party

to be charged or by its agent duly authorized in writing or as otherwise expressly permitted herein.

15. **Waivers.** No waiver of any breach of any covenant or provision herein contained shall be deemed a waiver of any preceding or succeeding breach thereof, or of any other covenant or provision herein contained. No extension of time for performance of any obligation or act shall be deemed an extension of time for performance of any other obligation or act except those of the waiving party, which shall be extended by a period of time equal to the period of the delay.

16. **Attorney's Fees.** In the event any action is initiated by either party seeking to enforce any of the terms or provisions of this CEFMM Agreement, the prevailing party in such action shall be awarded its reasonable attorney's fees and costs.

17. **Severability.** Each provision of this CEFMM Agreement is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the legality or validity of the remainder of the CEFMM Agreement, so long as the provisions determined to be illegal or invalid do not materially alter the essential terms of this CEFMM Agreement.

18. **Governing Law.** The parties hereto acknowledge that this CEFMM Agreement has been negotiated and entered into in the State of California. The parties hereto expressly agree that this CEFMM Agreement shall be governed by, interpreted under, and construed and enforced in accordance with the laws of the State of California and, where applicable, federal laws.

19. **No Third Party Beneficiaries.** No person or entity shall be deemed to be a third party beneficiary hereof, and nothing in this CEFMM Agreement (either express or implied) is intended to confer upon any person or entity, other than the City, Developer and Conservancy, any rights, remedies, obligations or liabilities under or by reason of this CEFMM Agreement.

20. **Counterparts.** This CEFMM Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument.

Executed in Lincoln, California, as of the date set forth above.

CITY:

CITY OF LINCOLN
a municipal corporation

By: _____
Name: _____
Title: _____

CONSERVANCY:

_____ LAND CONSERVANCY,
a _____

By: _____
Name: _____
Title: _____

DEVELOPER:

LINCOLN LAND HOLDINGS, LLC,
a Delaware limited liability company

By. NORTH MOUNTAIN CORPORATION
a California corporation
Its Sole Manager

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

021411 WBF dms\927\G2491F\G2491F Exhibit F-1

EXHIBITS (to be attached)

- A – Map of Easement Property and Conservation Areas**
- A-1 - Lewis Portion of Village 7 Specific Plan**
- B – Conservation Easement Deed**
- C – Agency Mitigation Requirements**
- D – Mitigation Plan**
- E – Maintenance Chart**
- F - Financing Plan**

EXHIBIT A
TO CEFMM AGREEMENT
Map of Easement Property and Conservation Areas

EXHIBIT A-1
TO CEFMM AGREEMENT
Lewis Portion of Village 7 Specific Plan

EXHIBIT B
TO CEFMM AGREEMENT
Conservation Easement Deed

EXHIBIT C
TO CEFMM AGREEMENT
Agency Mitigation Requirements

EXHIBIT D
TO CEFMM AGREEMENT
Mitigation Plan

EXHIBIT E
TO CEFMM AGREEMENT
Maintenance Chart

EXHIBIT F
TO CEFMM AGREEMENT
Financing Plan

Exhibit F-2
Easement Deed

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

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)
)
)
)
)
)

Space Above Line for Recorder's Use Only

CONSERVATION EASEMENT

THIS CONSERVATION EASEMENT ("Conservation Easement") is made this ____ day of _____, 20__, by the CITY OF LINCOLN, a municipal corporation, ("Grantor"), in favor of _____ CONSERVANCY, a _____ ("Grantee"), with reference to the following facts.

RECITALS

A Grantor is the sole owner in fee simple of certain real property containing approximately 162 ± acres located in the City of Lincoln, State of California, designated Assessor's Parcel Number _____ and more particularly described in Exhibit "A" attached hereto and incorporated herein by this reference (the "Property").

B. The Property provides high quality habitat for numerous sensitive and non-sensitive animals and birds, including the vernal pool fairy shrimp and vernal pool tadpole shrimp. Habitats include wetlands, vernal pools, a marsh, seeps, and a mix of native and non-native upland vegetation on slopes and in other landscaping adjacent to the wetlands, vernal pools, and marsh as identified on Exhibit "B" attached hereto (collectively, the "Conservation Areas").

C. This Conservation Easement provides mitigation for certain impacts of that portion of the Village 7 Specific Plan Project identified on Exhibit "A-1" attached hereto (the "Developer Project") to be developed by Lincoln Land Holdings, LLC ("Developer"), pursuant to (i) U. S. Army Corp of Engineers Section 404 Permit No. _____, dated _____, 20__, (ii) California Regional Water Quality Control Board Section 401 Water Quality Certification No _____, dated _____, 20__, (iii) the Agreement Regarding Proposed Stream or Lake Alteration Notification No _____ ("Section 1603 Agreement") executed by _____ and the California Department of Fish and Game ("CDFG"), dated _____, 20__ ((i), (ii), and (iii) collectively, the "Agency Permits") and (iv) that certain Final Habitat Mitigation and Monitoring Plan prepared by _____, dated _____, 20__ (the "Mitigation Plan") created in accordance with the Agency Permits, and pursuant to the Environmental Impact Report (EIR) for the Village 7 Specific Plan (the "City Approvals")

D. Developer constructed fencing and placed signage around the perimeter of the Property to restrict access to the Property as required by the Agency Permits (the "Perimeter Improvements").

E Concurrent with the recordation of this Conservation Easement, Developer, Grantor, and Grantee are executing that certain "Conservation Easement Funding, Management, and Maintenance Agreement (the "Maintenance Agreement") which provides for the maintenance of the Conservation Areas and Perimeter Improvements.

COVENANTS, TERMS, CONDITIONS AND RESTRICTIONS

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and pursuant to California law, including Civil Code Section 815, *et seq.*, Grantor hereby voluntarily grants and conveys to Grantee a conservation easement in perpetuity over the Property.

1. Purposes. The purposes of this Conservation Easement are to ensure, in accordance with the Agency Permits and City Approvals, that the Conservation Areas will be protected and preserved forever in their natural condition and to prevent any use of the Property that will impair or interfere with the conservation values of the Conservation Areas. Grantor intends that this Conservation Easement will confine the use of the Property to such activities that are consistent with those purposes, including, without limitation, those involving the preservation, restoration and enhancement of native species and their habitats.

2 Grantee's Rights. To accomplish the purposes of this Conservation Easement, Grantor hereby grants and conveys the following rights to Grantee.

- (a) To preserve and protect the conservation values of the Conservation Areas,
- (b) To enter upon the Property at reasonable times in order to monitor compliance with and otherwise enforce the terms of this Conservation Easement, and for scientific research and interpretive purposes by Grantee or its designees;
- (c) To prevent any activity on or use of the Property that is inconsistent with the purposes of this Conservation Easement and to require the restoration of such areas or features of the Conservation Areas that may be damaged by any act, failure to act, or any use that is inconsistent with the purposes of this Conservation Easement;
- (d) All mineral, air and surface water rights necessary to protect and to sustain the biological resources of the Conservation Areas, and
- (e) All present and future development rights allocated, implied, reserved or inherent in the Property (except the rights to maintain, repair, replace, and/or restore the Conservation Areas and Perimeter Improvements which shall remain with Grantor and/or Developer as set forth in the Maintenance Agreement); all such development rights within the Property are hereby terminated and extinguished, and may not be used on or transferred to any portion of the Property, nor any other property adjacent or otherwise.

3 **Prohibited Uses.** Any activity on or use of the Property inconsistent with the purposes of this Conservation Easement is prohibited. Without limiting the generality of the foregoing, the following uses and activities by Grantor, Developer, or their respective agents, and third parties, are expressly prohibited within the Property:

(a) Unseasonal watering, use of fertilizers, pesticides, biocides, herbicides or other agricultural chemicals, with an exception for suitable herbicides used for habitat maintenance, weed abatement activities, with an exception for abatement conducted for the purpose of habitat maintenance, the establishment of fuel modification zones or other incompatible fire protection activities, and any and all other activities and uses which may adversely affect the purposes of this Conservation Easement;

(b) Use of off-road vehicles and use of any other motorized vehicles except on the Roads for vehicles and equipment necessary for maintenance of the Conservation Areas, and the potential repair/reconstruction of the Conservation Areas in accordance with the Maintenance Agreement,

(c) Agricultural activity or the grazing of cattle, sheep or other animals except as permitted in the Agency Permits,

(d) Recreational activities including, but not limited to, horseback riding, biking, hunting or fishing;

(e) Commercial or industrial uses,

(f) Any legal or de facto division, subdivision or partitioning of the Property;

(g) Construction, reconstruction or placement of any building, billboard or sign, or any other structure or improvement of any kind with the exception of the Conservation Areas and the Perimeter Improvements,

(h) Depositing or accumulation of soil, trash, ashes, refuse, waste, bio-solids or any other materials,

(i) Planting, introduction or dispersal of non-native or exotic plant or animal species, with the exception of acceptable non-native (non-invasive) species necessary to maintain/enhance burrowing owl foraging habitat,

(j) Filling, dumping, excavating, draining, dredging, mining, drilling, removing or exploring for or extraction of minerals, loam, soil, sands, gravel, rocks or other material on or below the surface of the Property except as is necessary and integral to the operation of the Conservation Areas;

(k) Altering the surface or general topography of the Property, including building of roads, with exceptions for the repair/reconstruction of the Conservation Areas;

(l) Removing, destroying, or cutting of trees, shrubs or other vegetation, except as required for (1) fire breaks and (2) maintenance of the Conservation Areas and Perimeter Improvements; and

(m) Manipulating, impounding or altering any natural water course, body of water or water circulation on the Property, and activities or uses detrimental to water quality, including but not limited to degradation or pollution of any surface or sub-surface waters except as is necessary and integral to the operation of the Conservation Areas

4 Allowable Uses. Developer and Grantor may maintain, repair, replace, and restore, as necessary, the Conservation Areas and the Perimeter Improvements provided such uses and activities will be performed in a manner that minimizes any adverse impacts to the Conservation Areas in accordance with the Maintenance Agreement. Further, any activities allowed under the Agency Permits in the Property are permitted. All activities within the Property will be monitored to be consistent with the purposes of this Conservation Easement:

As used in this Conservation Easement, the term “maintenance” includes the rights to construct, repair, replace, restore, operate and maintain the stated improvements and habitat

5. Duties.

5.1 Grantor's Duties Grantor shall undertake all reasonable actions to prevent the unlawful entry and trespass by persons whose activities may degrade or harm the conservation values of the Conservation Areas. In addition, Grantor shall undertake any further actions reasonably required to perfect Grantee's rights under Section 2 of this Conservation Easement

5.2 Grantee's Duties. Grantee shall maintain and supervise the uses of the Property as permitted by this Conservation Easement in accordance with the Maintenance Agreement and otherwise enforce the terms of this Conservation Easement.

6 Reserved Rights. Grantor reserves to itself, and to its personal representatives, heirs, successors, and assigns, all rights accruing from its ownership of the Property, including the right to engage in or to permit or invite others to engage in all uses of the Property that are not expressly prohibited or limited by, and are consistent with the purposes of, this Conservation Easement, including all rights under the Maintenance Agreement

7. Grantor's Remedies If Grantor determines that a violation of the terms of this Conservation Easement has occurred or is threatened, Grantor shall give written notice to Grantee and the Developer of such violation and demand in writing the cure of such violation. If Grantee or the Developer fails to cure the violation within fifteen (15) days after receipt of written notice and demand from Grantor, or if the cure reasonably requires more than fifteen (15) days to complete and Grantee fails to begin the cure within the fifteen (15)-day period or fails to continue diligently to complete the cure, Grantor may bring an action at law or in equity in a court of competent jurisdiction to enforce the terms of this Conservation Easement, to recover any damages to which Grantor may be entitled for violation of the terms of this Conservation Easement or for any injury to the conservation values of the Conservation Areas, to enjoin the violation, *ex parte* as necessary, by temporary or permanent injunction without the necessity of proving either actual damages or the inadequacy of otherwise available legal remedies, or for other equitable relief, including, but not limited to, the restoration of the Conservation Areas to the condition in which it existed prior to any such violation or injury. Without limiting Grantee's liability therefor, Grantor may apply any damages recovered to the cost of undertaking any corrective action on the Conservation Areas.

If Grantor, in its sole discretion, determines that circumstances require immediate action to prevent or mitigate damage to the conservation values of the Conservation Areas, Grantor may pursue its remedies under this Section 6 without prior notice to Grantee or without waiting for the period provided for cure to expire. Grantor's rights under this section apply equally to actual or threatened violations of the terms of this Conservation Easement. Grantee agrees that Grantor's remedies at law for any violation of the terms of this Conservation Easement are inadequate and that Grantor shall be entitled to the injunctive relief described in this section, both prohibitive and mandatory, in addition to such other relief to which Grantor may be entitled, including specific performance of the terms of this Conservation Easement, without the necessity of proving either actual damages or the inadequacy of otherwise available legal remedies. Grantor's remedies described in this section shall be cumulative and shall be in addition to all remedies now or hereafter existing at law or in equity, including but not limited to, the remedies set forth in Civil Code Section 815, *et seq*, inclusive. The failure of Grantor to discover a violation or to take immediate legal action shall not bar Grantor from taking such action at a later time.

If at any time in the future Grantee or any subsequent transferee uses or threatens to use the Property for purposes inconsistent with this Conservation Easement then, notwithstanding Civil Code Section 815.7, the California Attorney General or any entity or individual with a justifiable interest in the preservation of this Conservation Easement has standing as interested parties in any proceeding affecting this Conservation Easement

7.1 Costs of Enforcement Any costs incurred by Grantor, where Grantor is the prevailing party, in enforcing the terms of this Conservation Easement against Grantee, including, but not limited to, costs of suit and attorneys' and experts' fees, and any costs of restoration necessitated by Grantee's negligence or breach of this Conservation Easement shall be borne by Grantee.

7.2 Grantor's Discretion Enforcement of the terms of this Conservation Easement by Grantor shall be at the discretion of Grantor, and any forbearance by Grantor to exercise its rights under this Conservation Easement in the event of any breach of any term of this Conservation Easement shall not be deemed or construed to be a waiver by Grantor of such term or of any subsequent breach of the same or any other term of this Conservation Easement or of any of Grantor's rights under this Conservation Easement. No delay or omission by Grantor in the exercise of any right or remedy shall impair such right or remedy or be construed as a waiver.

7.3. Acts Beyond Grantee's Control Nothing contained in this Conservation Easement shall be construed to entitle Grantor to bring any action against Grantee or Developer for any injury to or change in the Conservation Areas resulting from (i) any natural cause beyond Grantee's control, including, without limitation, fire not caused by Grantee, flood, storm, and earth movement, or any prudent action taken by Grantee under emergency conditions to prevent, abate, or mitigate significant injury to the Conservation Areas resulting from such causes, or (ii) acts by Grantor or its employees, or (iii) acts by Developer

7.4. Department of Fish and Game Right of Enforcement All rights and remedies conveyed to Grantee under this Conservation Easement shall extend to and are enforceable by CDFG. These rights are in addition to, and do not limit, the rights of enforcement under the Section 1603 Agreement

8 No Public Access. This Conservation Easement does not convey any right of access to the public

9. Costs and Liabilities. Grantee assumes all responsibilities and shall bear all costs and liabilities of any kind related to the ownership, operation, upkeep, and maintenance of the Property to the extent provided in the Maintenance Agreement. Except as set forth in Section 5.1, Grantor shall have no duty or responsibility for the operation, upkeep or maintenance of the Property, the monitoring of hazardous conditions thereon, or the protection of Grantee, the public or any third parties from risks relating to conditions on the Property. Grantee is solely responsible for obtaining any applicable governmental permits and approvals for any activity or use permitted by this Conservation Easement, and any activity or use shall be undertaken in accordance with all applicable federal, state, local and administrative agency statutes, ordinances, rules, regulations, orders and requirements

9.1. Taxes, No Liens Unless the Property is exempt from Property taxes, Grantee shall pay before delinquency all taxes, assessments, fees, and charges of whatever description levied on or assessed against the Property by competent authority (collectively "taxes"), including any taxes imposed upon, or incurred as a result of, this Conservation Easement, and shall furnish Grantor with satisfactory evidence of payment upon request. Grantee shall keep the Property free from any liens, including those arising out of any obligations incurred by Grantee for any labor or materials furnished or alleged to have been furnished to or for Grantor at or for use on the Property.

9.2. Hold Harmless. Grantee shall hold harmless, protect and indemnify Grantor and its directors, officers, employees, agents, contractors, and representatives and the heirs, personal representatives, successors and assigns of each of them (each an "Indemnified Party" and, collectively, "Indemnified Parties") from and against any and all liabilities, penalties, costs, losses, damages, expenses (including, without limitation, reasonable attorneys' fees and experts' fees), causes of action, claims, demands, orders, liens or judgments (each a "Claim" and, collectively, "Claims"), arising from or in any way connected with: (1) injury to or the death of any person, or physical damage to any property, resulting from any act, omission, condition, or other matter related to or occurring on or about the Property, regardless of cause, unless due solely to the negligence of Grantee or any of its employees; (2) the existence or administration of this Conservation Easement. If any action or proceeding is brought against any of the Indemnified Parties by reason of any such Claim, Grantee shall, at the election of and upon written notice from Grantor, defend such action or proceeding by counsel reasonably acceptable to the Indemnified Party or reimburse Grantor for all legal fees and charges incurred in defending the action or proceeding.

9.3. Extinguishment If circumstances arise in the future that render the purposes of this Conservation Easement impossible to accomplish, this Conservation Easement can only be terminated or extinguished, in whole or in part, by judicial proceedings in a court of competent jurisdiction

9.4. Condemnation This Conservation Easement is a "wildlife conservation easement" the condemnation of which is prohibited except as provided in Fish and Game Code Section 1348.3.

10 Transfer of Easement This Conservation Easement is transferable by Grantee, but Grantee may assign this Conservation Easement only to an entity or organization reasonably approved by Grantor that is authorized to acquire and hold conservation easements pursuant to Civil

Code Section 815 3 (or any successor provision then applicable) or the laws of the United States
Grantee shall require the assignee to record the assignment in the county where the Property is
located

11. Transfer of Property. Grantor agrees to incorporate the terms of this Conservation
Easement by reference in any deed or other legal instrument by which Grantor divests itself of any
interest in all or any portion of the Property, including, without limitation, a leasehold interest
Grantor further agrees to give written notice to Grantee of the intent to transfer any interest at least
thirty (30) days prior to the date of such transfer Grantee shall have the right to prevent subsequent
transfers in which prospective subsequent claimants or transferees are not given notice of the
covenants, terms, conditions and restrictions of this Conservation Easement The failure of Grantor
or Grantee to perform any act provided in this section shall not impair the validity of this
Conservation Easement or limit its enforceability in any way.

12. Notices Any notice, demand, request, consent, approval, or communication that
either party desires or is required to give to the other shall be in writing and be served personally or
sent by recognized overnight courier that guarantees next-day delivery or by first class mail, postage
fully prepaid, addressed as follows.

Grantor: City of Lincoln
600 Sixth Street
Lincoln, CA 95648
Attn: City Manager
Phone: _____
Email: _____

with copy to: City of Lincoln
600 Sixth Street
Lincoln, CA 95648
Attn: City Attorney
Phone: _____
Email: _____

Grantee: _____ **Conservancy**

Developer: Lincoln Land Holdings, LLC
c/o Lewis Operating Corp.
9216 Kiefer Blvd
Sacramento CA 95826
Attn: Doug Mull
Phone: 916-363-2617 Fax: 916-290-0845
Email: Doug.mull@lewisop.com

with copy to: Lewis Operating Corp.
P. O. Box 670
Upland, CA 91875-0670
1156 North Mountain Avenue
Upland, CA 91785-3633
Attn: W. Bradford Francke
Phone: 909-946-7538; Fax 909-949-6725
E-mail: brad.francke@lewisop.com

or to such other address as either party shall designate by written notice to the other. Notice shall be deemed effective upon delivery in the case of personal delivery or delivery by overnight courier or, in the case of delivery by first class mail, five (5) days after deposit into the United States mail.

13. Amendment. This Conservation Easement may be amended by Grantor and Grantee only by mutual written agreement. Any such amendment shall be consistent with the purposes of this Conservation Easement and California law governing conservation easements and shall not affect its perpetual duration. Any such amendment shall be recorded in the official records of Placer County, State of California.

14. General Provisions.

(a) Controlling Law. The interpretation and performance of this Conservation Easement shall be governed by the laws of the State of California, disregarding the conflicts of law principles of such state.

(b) Liberal Construction. Despite any general rule of construction to the contrary, this Conservation Easement shall be liberally construed to effect the purposes of this Conservation Easement and the policy and purpose of Civil Code Section 815, *et seq.* If any provision in this instrument is found to be ambiguous, an interpretation consistent with the purposes of this Conservation Easement that would render the provision valid shall be favored over any interpretation that would render it invalid.

(c) Severability. If a court of competent jurisdiction voids or invalidates on its face any provision of this Conservation Easement, such action shall not affect the remainder of this Conservation Easement. If a court of competent jurisdiction voids or invalidates the application of any provision of this Conservation Easement to a person or circumstance, such action shall not affect the application of the provision to other persons or circumstances.

(d) Entire Agreement. This instrument sets forth the entire agreement of the parties with respect to the Conservation Easement and supersedes all prior discussions, negotiations,

understandings, or agreements relating to the Conservation Easement. No alteration or variation of this instrument shall be valid or binding unless contained in an amendment in accordance with Section 13

(e) No Forfeiture. Nothing contained herein will result in a forfeiture or reversion of Grantor's title in any respect.

(f) Successors. The covenants, terms, conditions, and restrictions of this Conservation Easement shall be binding upon, and inure to the benefit of, the parties hereto and their respective personal representatives, heirs, successors, and assigns and shall constitute a servitude running in perpetuity with the Property

(g) Termination of Rights and Obligations. A party's rights and obligations under this Conservation Easement terminate upon transfer of the party's interest in the Conservation Easement or Property, except that liability for acts or omissions occurring prior to transfer shall survive transfer.

(h) Captions. The captions in this instrument have been inserted solely for convenience of reference and are not a part of this instrument and shall have no effect upon its construction or interpretation.

(i) No Hazardous Materials Liability. Grantor represents and warrants that it has no knowledge or notice of any Hazardous Materials (defined below) or underground storage tanks existing, generated, treated, stored, used, released, disposed of, deposited or abandoned in, on, under, or from the Property, or transported to or from or affecting the Property. Without limiting the obligations of Grantor under Section 9.2, Grantor hereby releases and agrees to indemnify, protect and hold harmless the Indemnified Parties (defined in Section 9.2) from and against any and all Claims (defined in Section 9.2) arising from or connected with any Hazardous Materials or underground storage tanks present, alleged to be present, or otherwise associated with the Property at any time during Grantor's fee ownership of the Property, except any Hazardous Materials placed, disposed or released by Grantee, its employees or agents. This release and indemnification includes, without limitation, Claims for (i) injury to or death of any person or physical damage to any property, and (ii) the violation or alleged violation of, or other failure to comply with, any Environmental Laws (defined below). If any action or proceeding is brought against any of the Indemnified Parties by reason of any such Claim, Grantor shall, at the election of and upon written notice from Grantee, defend such action or proceeding by counsel reasonably acceptable to the Indemnified Party or reimburse Grantee for all charges incurred for services of the Attorney General in defending the action or proceeding

Despite any contrary provision of this Conservation Easement, the parties do not intend this Conservation Easement to be, and this Conservation Easement shall not be, construed such that it creates in or gives to Grantee any of the following.

(1) The obligations or liability of an "owner" or "operator," as those terms are defined and used in Environmental Laws (defined below), including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Section 9601 *et seq.*, hereinafter, "CERCLA"), or

(2) The obligations or liabilities of a person described in 42 U.S.C. Section 9607(a)(3) or (4), or

(3) The obligations of a responsible person under any applicable Environmental Laws, or

(4) The right to investigate and remediate any Hazardous Materials associated with the Property; or

(5) Any control over Grantor's ability to investigate, remove, remediate or otherwise clean up any Hazardous Materials associated with the Property

The term "Hazardous Materials" includes, without limitation, (a) material that is flammable, explosive or radioactive, (b) petroleum products, including by-products and fractions thereof; and (c) hazardous materials, hazardous wastes, hazardous or toxic substances, or related materials defined in CERCLA, the Resource Conservation and Recovery Act of 1976 (42 U.S.C. Section 6901 *et seq*; hereinafter "RCRA"), the Hazardous Materials Transportation Act (49 U.S.C. Section 6901 *et seq*; hereinafter "HTA"), the Hazardous Waste Control Law (California Health & Safety Code Section 25100 *et seq*; hereinafter "HCL"); the Carpenter-Presley-Tanner Hazardous Substance Account Act (California Health & Safety Code Section 25300 *et seq*; hereinafter "HSA"), and in the regulations adopted and publications promulgated pursuant to them, or any other applicable Environmental Laws now in effect or enacted after the date of this Conservation Easement

The term "Environmental Laws" includes, without limitation, CERCLA, RCRA, HTA, HCL, HSA, and any other federal, state, local or administrative agency statute, ordinance, rule, regulation, order or requirement relating to pollution, protection of human health or safety, the environment or Hazardous Materials. Grantor represents, warrants and covenants to Grantee that activities upon and use of the Property by Grantor, its agents, employees, invitees and contractors will comply with all Environmental Laws.

(j) Warranty Grantor represents and warrants that there are no outstanding mortgages, liens, encumbrances or other interests in the Property (including, without limitation, mineral interests) which have not been expressly subordinated to this Conservation Easement, and that the Property is not subject to any other conservation easement

(k) Additional Easements. Grantor shall not grant any additional easements, rights of way or other interests in the Conservation Areas (other than a security interest that is subordinate to this Conservation Easement), or grant or otherwise abandon or relinquish any water agreement relating to the Property, without first obtaining the written consent of Grantee. Grantee may withhold such consent if it determines that the proposed interest or transfer is inconsistent with the purposes of this Conservation Easement or will impair or interfere with the conservation values of the Property. This Section 14(k) shall not prohibit transfer of a fee or leasehold interest in the Property that is subject to this Conservation Easement and complies with Section 11.

(l) Recording. Grantee shall record this Conservation Easement in the Official Records of Placer County, California, and may re-record it at any time as Grantee deems necessary to preserve its rights in this Conservation Easement.

IN WITNESS WHEREOF Grantor has executed this Conservation Easement the day and year first above written.

GRANTOR:

City of Lincoln, a municipal corporation

By: _____
Name: _____
Title: _____

Date of Execution: _____, 2011

EXHIBITS (to be attached)

Exhibit A – Legal Description of Easement Property

Exhibit A-1 – Lewis Portion of Village 7 Specific Plan

Exhibit B – Map of Easement Property and Conservation Areas

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the Conservation Easement by CITY OF LINCOLN ("Grantor"), dated _____, 20__, to _____ ("Grantee"), is hereby accepted by the undersigned officer.

GRANTEE:

_____ CONSERVANCY

By: _____

Title: _____
Authorized Representative

Date: _____

EXHIBIT A
TO EASEMENT DEED
Legal Description of Easement Property

EXHIBIT A-1
TO EASEMENT DEED
Lewis Portion of Village 7 Specific Plan

EXHIBIT B
TO EASEMENT DEED
Map of Easement Property and Conservation Areas

Exhibit G
Temporary Construction License

TEMPORARY CONSTRUCTION LICENSE AND INDEMNITY AGREEMENT

This Temporary Construction License and Indemnity Agreement (the “**Agreement**”) is made and entered into as of this ____ day of _____, 20__ by and between the City of Lincoln, a municipal corporation, (“**Owner**”), and Lincoln Land Holdings, LLC, a Delaware limited liability company (“**Licensee**”).

RECITALS

- A Owner is the owner of certain real property described in Exhibit “A” attached hereto (the “**Property**”)
- B. Owner and Licensee are parties to that certain Agreement for the Purchase and Assignment of Conservation Easement, dated _____, 2011 (the “**PURCHASE AND ASSIGNMENT AGREEMENT**”), pursuant to which this Agreement is to be executed to provide Licensee with the right to perform and construction certain Mitigation in accordance with certain Agency Permits (as these terms are defined in the PURCHASE AND ASSIGNMENT AGREEMENT).
- C Licensee now desires to enter onto the Property to perform and construct the Mitigation as described in Exhibit “B” attached hereto (the “**Mitigation**”)

AGREEMENT

NOW THEREFORE, for and in consideration of the mutual covenants and agreements contained in this Purchase and Assignment Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Grant of License** From and after the date hereof, Licensee (and Licensee’s agents, employees and contractors) shall have the non-exclusive right and license (the “**License**”) to enter upon the Property for the purpose of the Mitigation (subject to the limitations for the Mitigation as set forth in Exhibit B attached hereto), provided that in conducting all such activities (a) Licensee shall comply with the Agency Permits and with all other applicable laws, ordinances, health and safety codes and other governmental rules and regulations, including, but not limited to, all applicable requirements regarding the designated point of access, and storm water pollution prevention, dust control and environmental contamination; (b) Licensee shall comply with the provisions of this Purchase and Assignment Agreement and the PURCHASE AND ASSIGNMENT AGREEMENT, (c) Licensee shall pay all costs and expenses of such activities; (d) Licensee shall obtain and maintain all governmental approvals and permits required for its activities on the Property, and (e) Licensee shall be responsible for providing and maintaining access to and from the Property

The License shall automatically terminate upon the earlier of (i) the completion of construction of the Mitigation, or (ii) _____, 20__. Licensee shall notify Owner or its representatives prior to the commencement of activity on the Property, and each day prior to resumption of any activity on the Property until completed in person or by phone or e-mail. Licensee acknowledges that access to the Property may from time to time be restricted by Owner, however Owner agrees not to deny access for any reason that is not reasonable, just and compelling. Owner shall provide reasonable advance notice of such restrictions

Upon completion of the construction of the Mitigation, Licensee shall immediately vacate the Property and remove all equipment and other personal property placed on the Property by Licensee. If desired by Owner and at the direction of Owner, Licensee shall return the Property to its original grade elevation to accommodate Owner's immediate construction of permanent improvements on the Property.

2. Insurance. Before entering onto the Property, Licensee shall deliver to Owner a certificate of insurance demonstrating that Licensee has obtained commercial general liability insurance, insuring Licensee's activities on the Property, from a reputable company licensed in California, with coverage in the amount of not less than One Million Dollars (\$1,000,000) per occurrence. Owner shall be named as an additional insured and the policy shall provide that it cannot be canceled or decreased in coverage without at least twenty (20) days prior written notice to Owner.

3. Indemnity Regarding Licensee's Activities. Owner shall not be liable or responsible for and Licensee shall indemnify, defend and hold harmless Owner and Owner's managers and members from and against all claims, causes of action, damages, costs, and expenses (including attorneys' fees and costs) (collectively "**Claims**"), arising from any work or conduct engaged in by Licensee and Licensee's agents, employees, contractors, and subcontractors, during the term of this Purchase and Assignment Agreement pursuant to the License or related to the commission or omission of any act in connection with such conduct, except to the extent of any Claims resulting from the negligence or willful misconduct of Owner. The provisions of this paragraph shall survive the termination of this Purchase and Assignment Agreement.

4. Condition of Property Not Warranted. Owner makes no warranty or representation, and expressly disclaims any warranty or representation, that the Property is safe, healthful or suitable for the purposes for which it is permitted to be used under the terms of the License or the Purchase and Assignment Agreement, and Licensee expressly assumes such risk.

5. Personal License Only. The License granted herein is personal to Licensee and shall not inure to the successors or assigns of Licensee. Any purported assignment or transfer of any right, title or interest under this Purchase and Assignment Agreement shall be void and shall automatically terminate the License. Owner acknowledges that the Mitigation is being performed by Licensee and its contractors for the benefit of the Village 7 Specific Plan Project, of which Licensee is the owner and developer.

6. Licensee Has No Interest or Estate. Licensee expressly agrees that Licensee does not and shall not claim at any time any legal or equitable interest or estate of any kind or extent whatsoever in the Property by virtue of the rights granted under this Purchase and Assignment Agreement or by Licensee's occupancy or use of the Property under this Purchase and Assignment Agreement other than those rights expressly set forth herein.

7. Attorneys' Fees. In the event of any action by Owner or Licensee concerning the subject matter of this Purchase and Assignment Agreement, the prevailing party shall be entitled to recover from the non-prevailing party its costs and expenses of enforcing its rights hereunder, including reasonable attorneys' fees.

8. Applicable Law. This Purchase and Assignment Agreement shall be construed in accordance with the laws of the State of California.

9. Partial Invalidity. If any provision of this Purchase and Assignment Agreement is held by a court of competent jurisdiction to be invalid, or unenforceable, the remainder of the Purchase and Assignment Agreement shall continue in full force and effect and shall in no way be impaired or invalidated, and the parties agree to substitute for the invalid or unenforceable provision a valid and enforceable provision that most closely approximates the intent and economic effect of the invalid or unenforceable provision.

10. Mechanic's Liens Licensee will pay or cause to be paid all costs for work done by or on behalf of Licensee or any of its designees, contractors, or any other person entering the Property by, through or under Licensee, and Licensee will keep the Property free and clear of all mechanic's liens and other liens on account of work done or performed on behalf of Licensee. Should any liens be filed or recorded against the Property, Licensee will cause such liens to be removed of record within twenty (20) days after receiving notice thereof. If Licensee desires to contest any such claim or lien, Licensee will file a bond with the appropriate court and obtain a release of such lien pursuant to applicable law.

11. Entire Agreement. This Purchase and Assignment Agreement contains the entire agreement and understanding of the parties with respect to the subject matter hereof and cannot be amended or modified except by a written agreement, executed by each of the parties hereto.

12. No Recordation Neither this Purchase and Assignment Agreement, nor any memorandum thereof, shall be recorded unless it is determined by the applicable governing authority having jurisdiction over the Property that the Purchase and Assignment Agreement must be recorded in order for Licensee to obtain a grading permit. Notice shall be given by Licensee to Owner prior to any recordation of this Purchase and Assignment Agreement. If this Purchase and Assignment Agreement is recorded, it shall be deemed null and void and shall be automatically expunged from the real property records at such time as the license granted in this Purchase and Assignment Agreement terminates.

13. Authority to Bind Licensee The person signing below on behalf of Licensee hereby covenants and warrants to Owner that he is an officer of Licensee and has full power and authority to bind Licensee to the terms hereof and that no further acknowledgements, permissions, approvals or other actions are necessary to bind Licensee.

14. Counterparts. This Purchase and Assignment Agreement may be executed in one or more counterparts, each of which shall, for all purposes, be deemed an original and all such counterparts, taken together, shall constitute one and the same instrument. This Purchase and Assignment Agreement shall not be effective until fully executed by both Owner and Licensee.

15. No Partnership Nothing in the Purchase and Assignment Agreement shall be deemed in any way to create between Owner and Licensee any relationship of partnership, joint venture, agency or association, and Owner and Licensee disclaim the existence thereof.

16. Notices. Notices shall be sent to the parties at the addresses set forth below. Any notice required or permitted to be delivered hereunder shall be in writing and personally delivered or sent by United States mail, postage prepaid, certified or registered mail, return receipt requested, by facsimile transmission or by electronic mail if sent prior to 5:00 p.m. P.S.T. on a business day, or sent by Federal Express or similar nationally or regionally recognized overnight courier service ("overnight mail"), and shall be deemed received upon personal delivery to the party to whom the notice is directed or, if sent by mail, three business days following its deposit in the United States mail, postage prepaid, addressed to the recipient at the address set forth below (or such other address as such party may specify by notice given pursuant to this Section), or if sent by Overnight Mail, the next business day after the business day of delivery to the overnight courier, or if sent by fax or by electronic mail, the business day transmitted. Either party may change the address by giving written notice to the other:

OWNER: City of Lincoln
600 Sixth Street
Lincoln, CA 95648
Attn: City Manager
Phone: _____
Fax: _____
Email: _____

with copy to: City of Lincoln
600 Sixth Street
Lincoln, CA 95648
Attn: City Attorney
Phone: _____
Fax: _____
Email: _____

LICENSEE: Lincoln Land Holdings, LLC
c/o Lewis Operating Corp.
9216 Kiefer Blvd
Sacramento CA 95826
Attn: Doug Mull
Phone: 916-363-2617
Fax: 916-290-0845
Email: Doug.mull@lewisop.com

with copy to: Lewis Operating Corp.
P. O. Box 670
Upland, CA 91875-0670
1156 North Mountain Avenue
Upland, CA 91785-3633
Attn: W. Bradford Francke
Phone: 909-946-7538
Fax 909-949-6725
E-mail. brad.francke@lewisop.com

IN WITNESS WHEREOF, the parties hereto have executed this Purchase and Assignment Agreement as of the date set forth above

OWNER: City of Lincoln, a municipal corporation

By: _____
Name: _____
Title: _____

LICENSEE: Lincoln Land Holdings, LLC,
a Delaware limited liability company

By: North Mountain Corporation
a California corporation
Its Sole Manager

By: _____
Name: _____
Title: _____

List of Exhibits

Exhibit A - Legal Description of Easement Property
Exhibit B: - Agency Mitigation Requirements

WBF dms\927\G2491F

EXHIBIT A
TO TEMPORARY CONSTRUCTION LICENSE
Legal Description of Easement Property

EXHIBIT B
TO TEMPORARY CONSTRUCTION LICENSE
Agency Mitigation Requirements

Exhibit H
Title Report

CLTA Preliminary Report Form
(Rev 11/06)

Order Number: 0131-617800ala
Page Number 1



First American Title Company
6683 Owens Drive
Pleasanton, CA 94588

Title Officer: Michael Lucero
Phone: (831) 784-7684
Fax No. (831) 424-4604
E-Mail: mlucero@firstam.com

Escrow Officer: Michelle Chan
Phone: (925) 738-4050
Fax No. (866) 648-7806
E-Mail: mlchan@firstam.com

E-Mail Loan Documents to: Please contact the Escrow Officer for email address for sending loan documents

PRELIMINARY REPORT

In response to the above referenced application for a policy of title insurance, this company hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said Policy forms.

The printed Exceptions and Exclusions from the coverage of said Policy or Policies are set forth in Exhibit A attached. Copies of the Policy forms should be read. They are available from the office which issued this report.

Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit A of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

First American Title

-- -- Dated as of October 25, 2010 at 7:30 A.M. -- -- --

The form of Policy of title insurance contemplated by this report is:

A specific request should be made if another form or additional coverage is desired.

Title to said estate or interest at the date hereof is vested in:

City of Lincoln, a Municipal Corporation

The estate or interest in the land hereinafter described or referred to covered by this Report is:

A fee.

The Land referred to herein is described as follows:

(See attached Legal Description)

At the date hereof exceptions to coverage in addition to the printed Exceptions and Exclusions in said policy form would be as follows:

1. General and special taxes and assessments for the fiscal year 2010-2011 are exempt.
2. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.
3. Rights of the public in and to that portion of the land lying within ANY PUBLIC ROAD.
4. An easement for LEVEE and incidental purposes, recorded JULY 18, 1938 as BOOK 383, PAGE 140 of Official Records.
In Favor of: COUNTY OF PLACER
Affects: THE NORTHEAST QUARTER OF SECTION 31
5. An easement for POLE LINES and incidental purposes, recorded FEBRUARY 10, 1975 as BOOK 1621, PAGE 28 of Official Records.
In Favor of: PACIFIC TELEPHONE AND TELEGRAPH
Affects: THE EAST 10 FEET OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 29 LYING SOUTH OF MOORE ROAD
6. A public easement for navigation and the incidents of navigation such as boating, fishing, swimming, hunting and other recreational uses in and under the ROCK CREEK and including a public right of access to the water.

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- 7 Any public recreational rights, interests or easements that have been or may be established by proven use for a period of time.

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INFORMATIONAL NOTES

Note. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than the certain dollar amount set forth in any applicable arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. If you desire to review the terms of the policy, including any arbitration clause that may be included, contact the office that issued this Commitment or Report to obtain a sample of the policy jacket for the policy that is to be issued in connection with your transaction.

1. This preliminary report/commitment was prepared based upon an application for a policy of title insurance that identified land by street address or assessor's parcel number only. It is the responsibility of the applicant to determine whether the land referred to herein is in fact the land that is to be described in the policy or policies to be issued.
2. According to the public records, there has been no conveyance of the land within a period of twelve months prior to the date of this report, except as follows.

None
3. Basic rate applies.
4. With respect to City of Lincoln, a Municipal Corporation, we will require a certified copy of a resolution of the City Clerk authorizing the contemplated transaction.

The map attached, if any, may or may not be a survey of the land depicted hereon. First American expressly disclaims any liability for loss or damage which may result from reliance on this map except to the extent coverage for such loss or damage is expressly provided by the terms and provisions of the title insurance policy, if any, to which this map is attached.

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LEGAL DESCRIPTION

Real property in the City of Lincoln, County of Placer, State of California, described as follows:

All that certain real property situate in a portion of Sections 29, 30 and 31, Township 12 North, Range 6 East, M D.M. and also being a portion of the Lands of ANTONIO MOUNTAIN RANCH-LINCOLN, a California Limited Partnership as described in Book 3822 of Official Records, at page 547, Placer County Records and being more particularly described as follows:

Beginning at the Northeast corner of said Section 30 marked by a 2-1/2" Brass Cap stamped L.S. 3636 as shown on Book 4 of Parcel Maps at page 60 Placer County Records; thence from the TRUE POINT OF BEGINNING South 89° 30' 52" West along the North line of the Northeast quarter of said Section 30 a distance of 2626.91 feet to the North Quarter of said Section marked by a 3/4" Iron Pipe stamped L.S. 2651 as shown on Book 8 of Surveys at page 150 Placer County Records, thence South 00° 06' 46" East along the North-South Centerline of said Section 30 a distance of 2195.90 feet to the Westerly prolongation of the Northerly fence line of the Lands of the Central School District as described in Book "DD" of Deeds at page 687 Placer County Records; thence South 89° 02' 36" East along said Northerly fence line a distance of 265.72 feet to the Northeast corner of said Lands of the Central School District, thence South 02° 58' 52" West along the Easterly fence line a distance of 117.10 feet to the Southeast Corner of said Lands of the Central School District; thence South 89° 11' 26" West along the Southerly fence line of said Lands of the Central School District a distance of 259.38 feet to the North-South Centerline of said Section 30; thence South 00° 06' 46" East along said North-South Centerline of Section 30 a distance of 2980.34 feet to the South line of said Section 30 and the calculated position for the South Quarter Corner of said Section 30; thence leaving said South line of said Section 30 South 00° 45' 05" East along the West line of the Northeast Quarter of said Section 31 a distance of 509.14 feet to a point; thence leaving said West line of the Northeast Quarter of Section 31 South 89° 49' 45" East a distance of 995.18 feet; thence North 12° 00' 33" East a distance of 536.42 feet to the South line of the Southeast Quarter of said Section 30, thence North 12° 00' 33" East a distance of 416.06 feet; thence North 90° 00' 00" East a distance of 116.63 feet, thence North 00° 00' 00" East a distance of 689.96 feet; thence North 90° 00' 00" East a distance of 1319.95 feet to the West line of the Southwest Quarter of said Section 29; thence North 90° 00' 00" East a distance of 149.83 feet, thence South 51° 34' 31" East a distance of 290.77 feet, thence North 48° 55' 45" East a distance of 728.34 feet; thence North 02° 08' 53" East a distance of 202.28 feet; thence North 52° 36' 04" East a distance of 501.80 feet to the East line of the West half of the Southwest Quarter of said Section 29, thence North 00° 15' 02" West a distance of 773.67 feet to the South line of the Northwest Quarter of said Section 29; thence North 00° 15' 02" West a distance of 1321.73 feet to the Southwest Corner of Parcel "A" as shown on Book 4 of Parcel Maps at page 60 P.C.R.; thence North 00° 24' 28" West along the West line of said Parcel "A" a distance of 1326.37 feet to the Northwest Corner of said Parcel "A" and the North line of said Northwest Quarter of Section 29; thence South 89° 27' 59" West along said North line of the Northwest Quarter Section 29 a distance of 1334.64 feet to the point of beginning

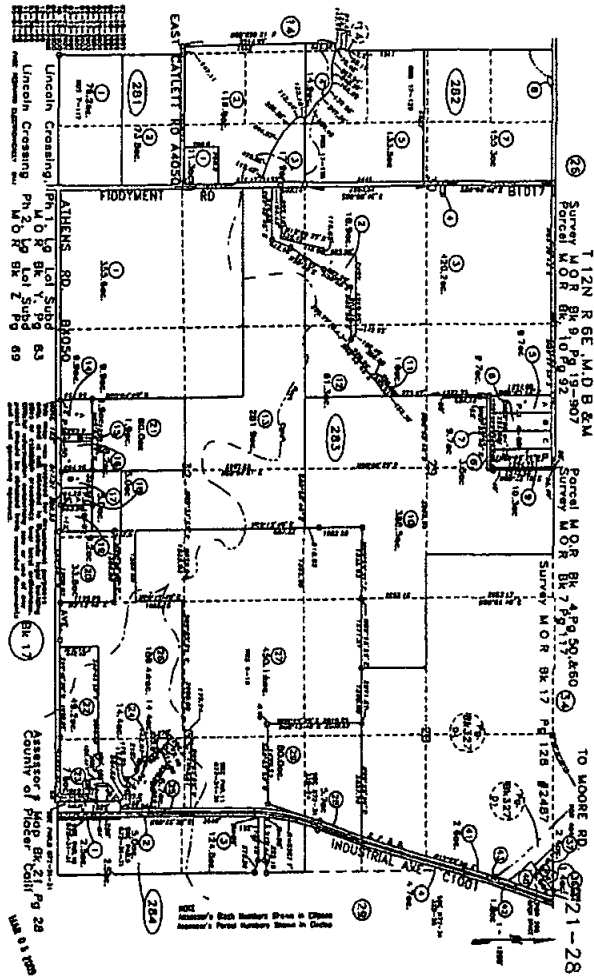
EXCEPTING THEREFROM all that portion thereof as contained in the Grant to the County of Placer, recorded December 1, 1976 in Book 1786, page 332, Placer County Records.

APN: 021-283-003

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Exhibit H

Order Places Comment:
Description Place, CA Assessor Map 21 28 Page 1 of 1



NOTICE

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Exhibit H

Section 12413.1 of the California Insurance Code, effective January 1, 1990, requires that any title insurance company, underwritten title company, or controlled escrow company handling funds in an escrow or sub-escrow capacity, wait a specified number of days after depositing funds, before recording any documents in connection with the transaction or disbursing funds. This statute allows for funds deposited by wire transfer to be disbursed the same day as deposit. In the case of cashier's checks or certified checks, funds may be disbursed the next day after deposit. In order to avoid unnecessary delays of three to seven days, or more, please use wire transfer, cashier's checks, or certified checks whenever possible.

If you have any questions about the effect of this new law, please contact your local First American Office for more details.

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EXHIBIT A
LIST OF PRINTED EXCEPTIONS AND EXCLUSIONS (BY POLICY TYPE)

1. CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY - 1990
SCHEDULE B

EXCEPTIONS FROM COVERAGE

- This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:
- 1 Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notice of such proceedings, whether or not shown by the records of such agency or by the public records.
 - 2 Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof
 - 3 Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
 - 4 Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
 - 5 (a) Unpatented mining claims, (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof, (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the public records

EXCLUSIONS FROM COVERAGE

- The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:
- 1 (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land, (ii) the character, dimensions or location of any improvement now or hereafter erected on the land, (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy
 - 2 Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge
 - 3 Defects, liens, encumbrances, adverse claims or other matters
(a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant,
(b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy,
(c) resulting in no loss or damage to the insured claimant;
(d) attaching or created subsequent to Date of Policy; or
(e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy
 - 4 Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable "doing business" laws of the state in which the land is situated
 - 5 Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law
 - 6 Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by their policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

2. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY FORM B - 1970
SCHEDULE OF EXCLUSIONS FROM COVERAGE

- 1 Any law, ordinance or governmental regulation (including but not limited to building and zoning ordinances) restricting or regulating or prohibiting the occupancy, use or enjoyment of the land, or regulating the character, dimensions or location of any improvement now or hereafter erected on the land, or prohibiting a separation in ownership or a reduction in the dimensions or area of the land, or the effect of any violation of any such law, ordinance or governmental regulation
- 2 Rights of eminent domain or governmental rights of police power unless notice of the exercise of such rights appears in the public records at Date of Policy
- 3 Defects, liens, encumbrances, adverse claims, or other matters (a) created, suffered, assumed or agreed to by the insured claimant, (b) not known to the Company and not shown by the public records but known to the insured claimant either at Date of Policy or at the date such claimant acquired an estate or interest insured by this policy and not disclosed in writing by the insured claimant to the Company prior to the date such insured claimant became an insured hereunder, (c) resulting in no loss or damage to the insured claimant; (d) attaching or created subsequent to Date of Policy, or (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy

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**3. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY FORM B - 1970
WITH REGIONAL EXCEPTIONS**

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 2 above are used and the following exceptions to coverage appear in the policy

SCHEDULE B

This policy does not insure against loss or damage by reason of the matters shown in parts one and two following

- 1 Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
- 2 Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof
- 3 Easements, claims of easement or encumbrances which are not shown by the public records.
- 4 Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
- 5 Unpatented mining claims, reservations or exceptions in patents or in Acts authorizing the issuance thereof, water rights, claims or title to water
- 6 Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.

**4. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1970
WITH A.L.T.A. ENDORSEMENT FORM 1 COVERAGE
SCHEDULE OF EXCLUSIONS FROM COVERAGE**

- 1 Any law, ordinance or governmental regulation (including but not limited to building and zoning ordinances) restricting or regulating or prohibiting the occupancy, use or enjoyment of the land, or regulating the character, dimensions or location of any improvement now or hereafter erected on the land, or prohibiting a separation in ownership or a reduction in the dimensions or area of the land, or the effect of any violation of any such law ordinance or governmental regulation
- 2 Rights of eminent domain or governmental rights of police power unless notice of the exercise of such rights appears in the public records at Date of Policy
- 3 Defects, liens, encumbrances, adverse claims, or other matters (a) created, suffered, assumed or agreed to by the insured claimant, (b) not known to the Company and not shown by the public records but known to the insured claimant either at Date of Policy or at the date such claimant acquired an estate or interest insured by this policy or acquired the insured mortgage and not disclosed in writing by the insured claimant to the Company prior to the date such insured claimant became an insured hereunder, (c) resulting in no loss or damage to the insured claimant, (d) attaching or created subsequent to Date of Policy (except to the extent insurance is afforded herein as to any statutory lien for labor or material or to the extent insurance is afforded herein as to assessments for street improvements under construction or completed at Date of Policy)
- 4 Unenforceability of the lien of the insured mortgage because of failure of the insured at Date of Policy or of any subsequent owner of the indebtedness to comply with applicable "doing business" laws of the state in which the land is situated

**5. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1970
WITH REGIONAL EXCEPTIONS**

When the American Land Title Association Lenders Policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy, the exclusions set forth in paragraph 4 above are used and the following exceptions to coverage appear in the policy

SCHEDULE B

This policy does not insure against loss or damage by reason of the matters shown in parts one and two following

- 1 Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
- 2 Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof
- 3 Easements, claims of easement or encumbrances which are not shown by the public records.
- 4 Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
- 5 Unpatented mining claims, reservations or exceptions in patents or in Acts authorizing the issuance thereof, water rights, claims or title to water
- 6 Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records

**6. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1992
WITH A.L.T.A. ENDORSEMENT FORM 1 COVERAGE
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of

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- 1 (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land, (ii) the character, dimensions or location of any improvement now or hereafter erected on the land, (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy,
- 2 (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy
- 3 Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge
- 4 Defects, liens, encumbrances, adverse claims, or other matters
- 5 (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the Insured claimant, (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the Insured claimant and not disclosed in writing to the Company by the Insured claimant prior to the date the Insured claimant became an Insured under this policy, (c) resulting in no loss or damage to the Insured claimant; (d) attaching or created subsequent to Date of Policy (except to the extent that this policy insures the priority of the lien of the Insured mortgage over any statutory lien for services, labor or material or the extent insurance is afforded herein as to assessments for street improvements under construction or completed at date of policy), or (e) resulting in loss or damage which would not have been sustained if the Insured claimant had paid value for the Insured mortgage
- 6 Unenforceability of the lien of the Insured mortgage because of the inability or failure of the Insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable "doing business" laws of the state in which the land is situated
- 7 Invalidity or unenforceability of the lien of the Insured mortgage, or claim thereof, which arises out of the transaction evidenced by the Insured mortgage and is based upon usury or any consumer credit protection or truth in lending law
- 8 Any statutory lien for services, labor or materials (or the claim of priority of any statutory lien for services, labor or materials over the lien of the Insured mortgage) arising from an improvement or work related to the land which is contracted for and commenced subsequent to Date of Policy and is not financed in whole or in part by proceeds of the indebtedness secured by the Insured mortgage which at Date of Policy the Insured has advanced or is obligated to advance
- 9 Any claim, which arises out of the transaction creating the interest of the mortgagee insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on (i) the transaction creating the interest of the Insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer; or (ii) the subordination of the interest of the Insured mortgagee as a result of the application of the doctrine of equitable subordination, or (iii) the transaction creating the interest of the Insured mortgagee being deemed a preferential transfer except where the preferential transfer results from the failure (a) to timely record the instrument of transfer; or (b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor

**7. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1992
WITH REGIONAL EXCEPTIONS**

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 6 above are used and the following exceptions to coverage appear in the policy

SCHEDULE B

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of

- 1 Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
- 2 Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof
- 3 Easements, claims of easement or encumbrances which are not shown by the public records.
- 4 Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records
- 5 Unpatented mining claims, reservations or exceptions in patents or in Acts authorizing the issuance thereof, water rights, claims or title to water
- 6 Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records

**8. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY - 1992
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of

- 1 (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land, (ii) the character, dimensions or location of any improvement now or hereafter erected on the land, (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part, or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance

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- resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy
- 2 Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge
- 3 Defects, liens, encumbrances, adverse claims, or other matters.
(a) created, suffered, assumed or agreed to by the insured claimant,
(b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy,
(c) resulting in no loss or damage to the insured claimant,
(d) attaching or created subsequent to Date of Policy, or
(e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy
- 4 Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on
(i) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer; or
(ii) the transaction creating the estate or interest insured by this policy being deemed a preferential transfer except where the preferential transfer results from the failure
(a) to timely record the instrument of transfer; or
(b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor

**9. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY - 1992
WITH REGIONAL EXCEPTIONS**

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 8 above are used and the following exceptions to coverage appear in the policy

SCHEDULE B

- This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of
- 1 Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records
- 2 Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof
- 3 Easements, claims of easement or encumbrances which are not shown by the public records.
- 4 Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
- 5 Unpatented mining claims, reservations or exceptions in patents or in Acts authorizing the issuance thereof, water rights, claims or title to water
- 6 Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records

**10. AMERICAN LAND TITLE ASSOCIATION RESIDENTIAL
TITLE INSURANCE POLICY - 1987
EXCLUSIONS**

In addition to the Exceptions in Schedule B, you are not insured against loss, costs, attorneys' fees and expenses resulting from

- 1 Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning
- | | |
|----------------------------|----------------------------|
| * land use | * land division |
| * improvements on the land | * environmental protection |
- This exclusion does not apply to violations or the enforcement of these matters which appear in the public records at Policy Date. This exclusion does not limit the zoning coverage described in Items 12 and 13 of Covered Title Risks.
- 2 The right to take the land by condemning it, unless
- * a notice of exercising the right appears in the public records on the Policy Date
 - * the taking happened prior to the Policy Date and is binding on you if you bought the land without knowing of the taking
- 3 Title Risks
- * that are created, allowed, or agreed to by you
 - * that are known to you, but not to us, on the Policy Date - unless they appeared in the public records
 - * that result in no loss to you
 - * that first affect your title after the Policy Date - this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks
- 4 Failure to pay value for your title.
- 5 Lack of a right
- * to any land outside the area specifically described and referred to in Item 3 of Schedule A, or
 - * in streets, alleys, or waterways that touch your land
- This exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

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11. EAGLE PROTECTION OWNER'S POLICY

CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE - 2008
ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE - 2008

Covered Risks 16 (Subdivision Law Violation), 18 (Building Permit), 19 (Zoning) and 21 (Encroachment of boundary walls or fences) are subject to Deductible Amounts and Maximum Dollar Limits of Liability

EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning
 - a. building
 - b. zoning
 - c. land use
 - d. improvements on the land
 - e. land division
 - f. environmental protectionThis Exclusion does not limit the coverage described in Covered Risk 8.a, 14, 15, 16, 18, 19, 20, 23 or 27
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17
4. Risks
 - a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records,
 - b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the policy Date,
 - c. that result in no loss to You, or
 - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8 e, 25, 26, 27 or 28
5. Failure to pay value for Your Title
6. Lack of a right:
 - a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A, and
 - b. in streets, alleys, or waterways that touch the LandThis Exclusion does not limit the coverage described in Covered Risk 11 or 21

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows: Covered Risk 16, 18, 19 and 21, Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A. The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

<u>Your Deductible Amount</u>	<u>Our Maximum Dollar Limit of Liability</u>
Covered Risk 16: 1% of Policy Amount or \$5,000.00 (whichever is less)	\$10,000.00
Covered Risk 18: 1% of Policy Amount or \$5,000.00 (whichever is less)	\$25,000.00
Covered Risk 19: 1% of Policy Amount or \$5,000.00 (whichever is less)	\$25,000.00
Covered Risk 21: 1% of Policy Amount or \$2,500.00 (whichever is less)	\$5,000.00

12. THIRD GENERATION EAGLE LOAN POLICY AMERICAN LAND TITLE ASSOCIATION EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (1/01/08)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to (i) the occupancy, use, or enjoyment of the Land, (ii) the character, dimensions, or location of any improvement erected on the Land, (iii) the subdivision of land, or (iv) environmental protection, or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 15.
(b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 15.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed or agreed to by the Insured Claimant,
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy,

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- (c) resulting in no loss or damage to the Insured Claimant,
(d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28), or
(e) resulting in loss or damage which would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing business laws of the state where the Land is situated
- 4 Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26
- 5 Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11
- 6 Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25
- 7 The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6

13. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 2006
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of

- 1 (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
(i) the occupancy, use, or enjoyment of the Land,
(ii) the character, dimensions, or location of any improvement erected on the Land,
(iii) the subdivision of land, or
(iv) environmental protection,
or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6
- 2 Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8
- 3 Defects, liens, encumbrances, adverse claims, or other matters
(a) created, suffered, assumed, or agreed to by the Insured Claimant,
(b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy,
(c) resulting in no loss or damage to the Insured Claimant,
(d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14), or
(e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage
- 4 Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated
- 5 Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law
- 6 Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
(a) a fraudulent conveyance or fraudulent transfer, or
(b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy
- 7 Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b)

14. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 2006
WITH REGIONAL EXCEPTIONS

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 13 above are used and the following exceptions to coverage appear in the policy

SCHEDULE B

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of

First American Title

- 1 (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records, (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
- 2 Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land
- 3 Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
- 4 Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
- 5 (a) Unpatented mining claims, (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof, (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.

15. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY - 2006
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of

- 1 (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land,
 - (ii) the character, dimensions, or location of any improvement erected on the Land,
 - (iii) the subdivision of land, or
 - (iv) environmental protection, or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5
- (b) Any governmental police power This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6
- 2 Rights of eminent domain This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8
- 3 Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant,
 - (b) not known to the Company, not recorded in the Public Records at Date of Policy, but known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy,
 - (c) resulting in no loss or damage to the Insured Claimant,
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risks 9 and 10), or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title
- 4 Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy
- 5 Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

16. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY - 2006
WITH REGIONAL EXCEPTIONS

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 15 above are used and the following exceptions to coverage appear in the policy

SCHEDULE B

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records, (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
- 2 Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land
- 3 Easements, liens or encumbrances, or claims thereof, not shown by the Public Records
- 4 Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
- 5 (a) Unpatented mining claims, (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof, (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.

First American Title



First American Title

Privacy Information

We Are Committed to Safeguarding Customer Information

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information—particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, together with our subsidiaries we have adopted this Privacy Policy to govern the use and handling of your personal information.

Applicability

This Privacy Policy governs our use of the information that you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity. First American has also adopted broader guidelines that govern our use of personal information regardless of its source. First American calls these guidelines its Fair Information Values.

Types of Information

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- Information about your transactions with us, our affiliated companies, or others; and
- Information we receive from a consumer reporting agency.

Use of Information

We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us, or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial service providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies and escrow companies. Furthermore, we may also provide all the information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

Former Customers

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

Confidentiality and Security

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy and First American's Fair Information Values. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

Information Obtained Through Our Web Site

First American Financial Corporation is sensitive to privacy issues on the Internet. We believe it is important you know how we treat the information about you we receive on the Internet.

In general, you can visit First American or its affiliates' Web sites on the World Wide Web without telling us who you are or revealing any information about yourself. Our Web servers collect the domain names, not the e-mail addresses, of visitors. This information is aggregated to measure the number of visits, average time spent on the site, pages viewed and similar information. First American uses this information to measure the use of our site and to develop ideas to improve the content of our site.

There are times, however, when we may need information from you, such as your name and e-mail address. When information is needed, we will use our best efforts to let you know at the time of collection how we will use the personal information. Usually, the personal information we collect is used only by us to respond to your inquiry, process an order or allow you to access specific account/profile information. If you choose to share any personal information with us, we will only use it in accordance with the policies outlined above.

Business Relationships

First American Financial Corporation's site and its affiliates' sites may contain links to other Web sites. While we try to link only to sites that share our high standards and respect for privacy, we are not responsible for the content or the privacy practices employed by other sites.

Cookies

Some of First American's Web sites may make use of "cookie" technology to measure site activity and to customize information to your personal tastes. A cookie is an element of data that a Web site can send to your browser, which may then store the cookie on your hard drive.

FirstAmerican.com uses stored cookies. The goal of this technology is to better serve you when visiting our site, save you time when you are here and to provide you with a more meaningful and productive Web site experience.

Fair Information Values

Fairness We consider consumer expectations about their privacy in all our businesses. We only offer products and services that assure a favorable balance between consumer benefits and consumer privacy.

Public Record We believe that an open public record creates significant value for society, enhances consumer choice and creates consumer opportunity. We actively support an open public record and emphasize its importance and contribution to our economy.

Use We believe we should behave responsibly when we use information about a consumer in our business. We will obey the laws governing the collection, use and dissemination of data.

Accuracy We will take reasonable steps to help ensure the accuracy of the data we collect, use and disseminate. Where possible, we will take reasonable steps to correct inaccurate information. When, as with the public record, we cannot correct inaccurate information, we will take all reasonable steps to assist consumers in identifying the source of the erroneous data so that the consumer can secure the required corrections.

Education We endeavor to educate the users of our products and services, our employees and others in our industry about the importance of consumer privacy. We will instruct our employees on our fair information values and on the responsible collection and use of data. We will encourage others in our industry to collect and use information in a responsible manner.

Security We will maintain appropriate facilities and systems to protect against unauthorized access to and corruption of the data we maintain.

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Schedule 1
List of Possible Grantees



12E

CITY COUNCIL REPORT

SUBJECT: NID Tax Sharing Agreement for Annexation of Exclusion Areas within NID Service Boundary

SUBMITTED BY: Matthew J. Wheeler, CDD Director

DEPARTMENT: Community Development

DATE: December 13, 2016

STRATEGIC RELEVANCE: Economic Development and Infrastructure

STAFF RECOMMENDATION(S):

Staff recommends the City Council review the Tax Sharing Agreement between Nevada Irrigation District and the City of Lincoln for annexation of exclusion area properties within the NID service boundary, and;

1. Adopt a resolution to approve the tax sharing agreement between the City of Lincoln and Nevada Irrigation District.

BACKGROUND / INTRODUCTION:

The City of Lincoln derives its potable water resources from a combination of groundwater and surface water supplies. The City's surface water assets come from two sources: Placer County Water Agency (PCWA), and Nevada Irrigation District (NID). Portions of the Lincoln City Limits and Sphere of Influence are within the NID service boundary. According to NID policy, NID surface water resources may not be used on properties outside the NID service boundary. In addition, surface water resources from outside the NID system may not be used on properties within the NID service boundary.

Certain properties which lie within the NID service boundary are "Exclusion Areas" which have not historically been assessed property taxes for water service by NID. These Exclusion Areas must be annexed into the NID service area in order to be provided surface water services. Exhibit 2 (attached to this report) shows the NID service boundary and Exclusion Areas in and near the City of Lincoln. A portion of the recent Village 1 annexation includes property in an Exclusion Area. In addition, there are other Exclusion Area properties within the City's Sphere of Influence which will be annexed into the City of Lincoln at a future date.

NID has submitted an annexation application to the Placer County Local Area Formation Commission (LAFCO) for the Exclusion Area located within the recent Village 1 Annexation. With each annexation application, NID is required to negotiate a property tax sharing agreement with the jurisdictional agencies – in this case; the City of Lincoln. NID is currently negotiating with Placer County for an appropriation of taxes for the exclusion areas outside the Village 1 annexation area. As a result, the required share of property tax for annexation of the exclusion area within the Village 1 annexation into NID services must be apportioned from the City of Lincoln's portion of property tax for these properties.

FINDINGS/ANALYSIS:

NID staff and City of Lincoln staff have met and discussed the details of a property tax share between the City and NID. The proposed tax sharing agreement components are as follows:

- a) Base Year property values and tax revenues will be established upon annexation of territory into NID service area
- b) No part of the City of Lincoln's Base Year property tax revenues will be apportioned to NID
- c) Twenty-five percent (25%) of the Tax Increments (additional value/revenue) accruing to the City after the Base Year shall be reapportioned and paid to NID
- d) The tax sharing agreement is structured to remain in effect until August 1st, 2021 and automatically renew for 5-year periods unless either party files a notice of intention to terminate or renegotiate. Termination of the agreement will not result in reapportionment of property tax revenues from territories annexed into the NID service area prior to such termination.

Based on the above components, NID will only be entitled to 25% of the increase in tax revenue apportioned to the City for Exclusion Area properties annexed into the NID service area. Base Year tax revenues apportioned to the City will wholly remain as City revenues.

CONCLUSION:

Annexation of the Exclusion Areas into NID service area is necessary in order for the City to provide NID water to those properties. Staff recommends that the City Council take action to adopt a resolution to approve the tax sharing agreement between the City of Lincoln and Nevada Irrigation District.

ALTERNATIVES:

Alternatives for the City Council to consider include:

1. Approve the tax sharing agreement between NID and the City of Lincoln as presented;
2. Propose revisions to the tax sharing agreement for discussion and consideration by NID;
3. Provide additional direction to staff.

FISCAL IMPACT:

Village 1 Specific Plan Area properties have a projected shortfall in property tax revenue to cover cost of General Fund Services. Revenue shortfall will be covered by the use of a Community Facilities District (CFD) through special assessments on parcels within developed area. Additional shortfall anticipated from this reapportionment of Tax Increment revenues on Exclusion Area properties will be captured in CFD assessments.

RELATED ACTIONS:

None

CITY MANAGER REVIEW OF CONTENT: MB**APPROVED AS TO LEGAL FORM:** LZW

ATTACHMENTS:

1. Resolution 2016-_____ Approving Property Tax Sharing Agreement with NID
2. Exhibit 2 – NID Service Boundary and Exclusion Areas near City of Lincoln
3. Exhibit 3 – Agreement for Apportionment of Property Tax Revenues due to Jurisdictional Changes (NID Tax Sharing Agreement)

RESOLUTION 2016- 247

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LINCOLN APPROVING THE PROPERTY TAX SHARING AGREEMENT BETWEEN THE CITY OF LINCOLN AND THE NEVADA IRRIGATION DISTRICT FOR EXCLUSION AREAS WITHIN THE NEVADA IRRIGATION DISTRICT SERVICE BOUNDARY

WHEREAS, the City of Lincoln has annexed a portion of the Village 1 Specific Plan Area containing approximately 1,692 acres into the City for development, improvements and services; and

WHEREAS, the Village 1 annexation area lies within the Nevada Irrigation District (NID) service boundary; and

WHEREAS, the Village 1 annexation area contains properties which are not included in the NID service area called "Exclusion Areas"; and

WHEREAS, Exclusion Areas within the NID service boundary must be annexed into the NID service area in order to be eligible for water utility service; and

WHEREAS; NID has submitted an annexation application to the Placer County Local Area Formation Commission (LAFCO) for the Exclusion Area located within the recent Village 1 annexation; and

WHEREAS, it is required that the City of Lincoln and NID enter into a property tax sharing agreement regarding the apportionment of property taxes between the City and NID for the Exclusion Area due to the jurisdictional change; and

WHEREAS, the Lincoln City Council has reviewed the attached property tax sharing agreement with NID establishing an apportionment of the incremental property tax revenues (Tax Increment) and has determined that the agreement is acceptable to the City and would allow for the completion of the above referenced annexation of Exclusion Area property into the NID service area;

NOW THEREFORE, the City Council of the City of Lincoln does resolve as follows:

Section 1: The City Council hereby approves the attached Tax Sharing Agreement for the apportionment of the incremental property tax revenues due to the jurisdictional change.

Section 2: The City Manager of the City of Lincoln is hereby authorized to execute the tax sharing agreement attached hereto and incorporated by this reference, including minor revisions that are in substantial conformance with the agreement on behalf of the City of Lincoln.

PASSED AND ADOPTED this 13th day of December, 2016 by the following vote:

AYES: COUNCILMEMBERS:

NOES; COUNCILMEMBERS:

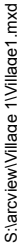
ABSENT: COUNCILMEMBERS:

Peter Gilbert, Mayor

ATTEST:

Gwen Scanlon, City Clerk

Exhibit 2



Date: 10/12/2016
Drawn By: D. HUNT

VILLAGE 1 ANNEXATION

NEVADA IRRIGATION DISTRICT

NEVADA COUNTY -- PLACER COUNTY
GRASS VALLEY, CALIFORNIA

587

Scale: 1" = 2000' @ 8-1/2x11

Sheet: 1 of 1

**AGREEMENT FOR
APPORTIONMENT OF PROPERTY TAX
REVENUES DUE TO JURISDICTIONAL CHANGES**

THIS AGREEMENT is made and entered into this ____ day of _____, 2016, by and between the CITY OF LINCOLN, a municipal corporation (hereinafter referred to as "City"), and NEVADA IRRIGATION DISTRICT, a special district (hereinafter referred to as "NID").

WHEREAS, Section 99 of the Revenue and Taxation Code provides that no jurisdictional change pending before the Local Agency Formation Commission shall become effective until each local agency whose service areas or service responsibilities would be altered by such jurisdictional change agrees by resolution to accept the negotiated exchange of property tax revenue; and

WHEREAS, the parties have negotiated this MASTER Agreement for the exchange of property tax revenues upon annexation of specified territory;

NOW, THEREFORE, the parties do agree as follows:

1. Scope: This agreement shall apply to the lands to be annexed into NID which are described and depicted in Exhibit B hereto.
2. Definitions:
 - a. "Base Year Revenues" – In the event of annexation, "Base Year Revenues" shall be all property tax revenues accruing to the agency whose service area or service responsibility would be affected by the annexation, in the fiscal year in which the annexation occurs.

Annexation to NID shall be deemed to affect its service area and service responsibility and to confer a service not previously provided, whether or not the subject territory has been previously served with surplus water by NID pursuant to Outside User Agreements.

- b. "Tax Increment" means the amount of property tax revenues in excess of Base Year Revenues accruing to each agency (by TRA) and resulting from the increase in assessed valuation from one year to the next. For the purposes of this Agreement, Tax Increments shall be cumulative. The

original Base Year (when annexation occurs) shall remain the Base Year for future calculations of the cumulative increments to be apportioned among the City and NID (see example: Exhibit “A”).

“TRA” means tax rate area.

3. Apportionment:
- a. Upon annexation of territory to NID, no part of any agency’s Base Year Revenues from such territory shall be reapportioned to NID.
 - b. Upon the annexation to NID of territory which is within the incorporated boundaries of the City, twenty-five percent (25%) of the Tax Increments accruing to the City after the Base Year (when annexation occurs) shall be reapportioned and paid to NID.
4. Exceptions: Where a proposed annexation contains in excess of Ten Million Dollars (\$10,000,000) in taxable valuation, or where previously tax-exempt property is subsequently placed on the tax rolls, individual agreements shall be negotiated between the parties, consistent with existing law.
5. Term of Agreement: This Agreement shall become effective after approval by the City Council of the City of Lincoln and the Board of Directors of the Nevada Irrigation District and shall remain in force and effect until the 1st day of August, 2021, and shall be automatically renewed on that date and at the end of all subsequent five (5) year periods unless a party files with the others a notice of intention to terminate or renegotiate the provisions of this Agreement upon expiration, which notice shall be served at least three (3) months prior to the next expiration date with copies to the County Auditor-Controller and the Local Agency Formation Commission. The termination of this Agreement shall not result in a reapportionment of property tax revenues from territories annexed prior to such termination.

IN WITNESS WHEREOF, this Agreement is entered into the date first above written.

Approved as to Form:

CITY OF LINCOLN

City Attorney, City of Lincoln

By: _____
Mayor, City of Lincoln

Attest:

City Clerk

Approved as to Form:

NEVADA IRRIGATION DISTRICT

Attorney for District

By: _____
President of the Board of Directors

Attest:

Board Secretary

EXHIBIT A

Sample: Distribution of Property Taxes

City of Lincoln, and NID

Parcels within the incorporated boundaries of the City annexed to NID

ASSUMPTIONS:

(A) Annexation to NID is completed November 2016.

Base year is therefore FY 2016/2017

Current assessed value of land - \$80,000

City's share of the 1% property tax (before NID annexation) = 14.7%

Revenues to City at Base Year - \$117.60 (\$80,000 x 1% x 14.7%)

(B) \$140,000 in improvements are made in July 2017 through December 2017

This will be reflected in December 2017 Supplemental Tax Distribution

(\$140,000 x 1% x 14.7% = \$205.80 x 6 months, or \$102.90)

(C) \$110,000 in improvements are made in January 2018 through March 1, 2018

This will be reflected in the FY 2018/2019 distribution.

(\$110,000 x 1% x 14.7% = \$161.70)

		Total	City	NID
Distribution		100%		
FY 2016/17		\$800.00	\$117.60 (14.7%)	N/A
Parcels Annexed to NID	(A)	100%	14.7% Base Year & 11.025% Increment	3.675% Increment
FY 2017/18				
Base Revenues		\$800.00	\$117.60	0.00
2% Increment		\$16.00	\$1.76	\$0.59
Dec 2017 Supplemental Tax	(B)	\$102.90	\$11.35	\$3.78
Total		\$918.90	\$130.71	\$4.37
FY 2018/19				
Base Revenues		\$918.90	\$130.71	\$4.37
2% Increment		\$18.38	\$2.03	\$0.68
Improvements	(C)	\$161.70	\$17.83	\$5.94
Total		\$1,098.98	\$150.57	\$10.99
FY 2019/20				
Base Revenues		\$1,098.98	\$150.56	\$10.99
2% Increment		\$21.98	\$2.42	\$0.81
Total		\$1,120.96	\$152.98	\$11.80

EXHIBIT B

**LEGAL DESCRIPTION
LAFCo ANNEXATION NO. 2015-05
A PORTION OF LINCOLN VILLAGE ONE
ANNEXATION TO
NEVADA IRRIGATION DISTRICT**

February 2016

ALL THAT PORTION of the south half of the southeast quarter of Section 13, together with a portion of Section 24, within Township 12 North, Range 6 East, M.D.M, Placer County, California, **BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:**

BEGINNING AT the south one-sixteenth corner common to said Section 24, Township 12 North, Range 6 East, M.D.M. and Section 19, Township 12 North, Range 7 East, M.D.M., a point on the existing Nevada Irrigation District boundary; **THENCE FROM SAID POINT OF BEGINNING** along said district boundary the following 7 courses:

- 1) Westerly along the North line of the South 1/2 of the South 1/2 of said Section 24, 3960 feet more or less to the East line of the West 1/2 of the West 1/2 of said Section 24;
- 2) Northerly along the East line of the West 1/2 of the West 1/2 of said Section 24, 3978 feet more or less to the North line of Section 24,
- 3) Thence North 89°38'07" East, along the North line of Section 24, 1326.68 feet, to the North one-quarter corner of Section 24;
- 4) Thence Northerly, along the North - South Centerline of Section 13, 1320 feet more or less to the South Right-of-Way of State Highway 193 as shown in Record of Survey filed in Book 18 Surveys Page 63;
- 5) Thence North 89°50'22" East, along said South Right-of-Way, 1226.93 feet;
- 6) Thence North 89°37'05" East, along said South Right-of-Way, 1174.96 feet;
- 7) Thence North 89°45'01" East, along said South Right-of-Way, 323.85 feet, to the intersection of said South Right-of-Way with the East line of said Section 13;
- 8) Thence leaving said highway Southerly line and existing District boundary and running along said East line of Section 13 South 00°16'00" West 1255.78 feet to the Southeast corner of said Section 13;
- 9) Thence leaving said Section 13 and running along the line common to said Sections 24 and 19, South 00°17'34" West 1115.76 feet;
- 10) Thence South 00°17'12" West 1525.83 to the quarter corner common to said Sections 24 and 19;
- 11) Thence continuing along said common section line South 00°17'52" West 1320.98 feet to the **POINT OF BEGINNING;**

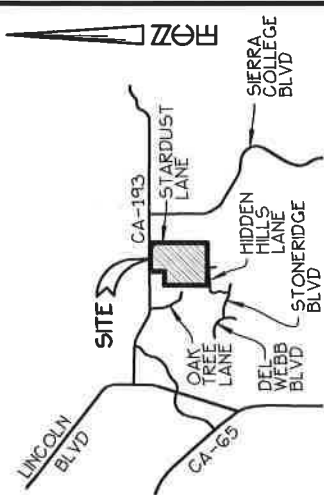
And containing 435 acres more or less.

THIS LEGAL DESCRIPTION was prepared by me or under my direction based on record data in February 2016.

Andrew R. Cassano

Andrew R. Cassano, LS 4370
Professional Land Surveyor
Nevada City Engineering, Inc.





VICINITY MAP

SCALE: 1"=1000'

Andrew R. Cassano



COURSE LEGEND	
①	WESTERLY 3960'±
②	NORTHERLY 3978'±
③	N 89°38'07" E 1326.68'
④	NORTHERLY 1320'±
⑤	N 89°50'22" E 1226.93'
⑥	N 89°37'05" E 1174.96'
⑦	N 89°45'01" E 323.85'
⑧	S 00°16'00" W 1255.78'
⑨	S 00°17'34" W 1115.76'
⑩	S 00°17'12" W 1525.83'
⑪	S 00°17'52" W 1320.98'

EXHIBIT "B"

LAFCO ANNEXATION NO. 2015-05
A PORTION OF LINCOLN VILLAGE 1 ANNEXATION #1
TO THE

Nevada Irrigation District

BEING PORTIONS OF

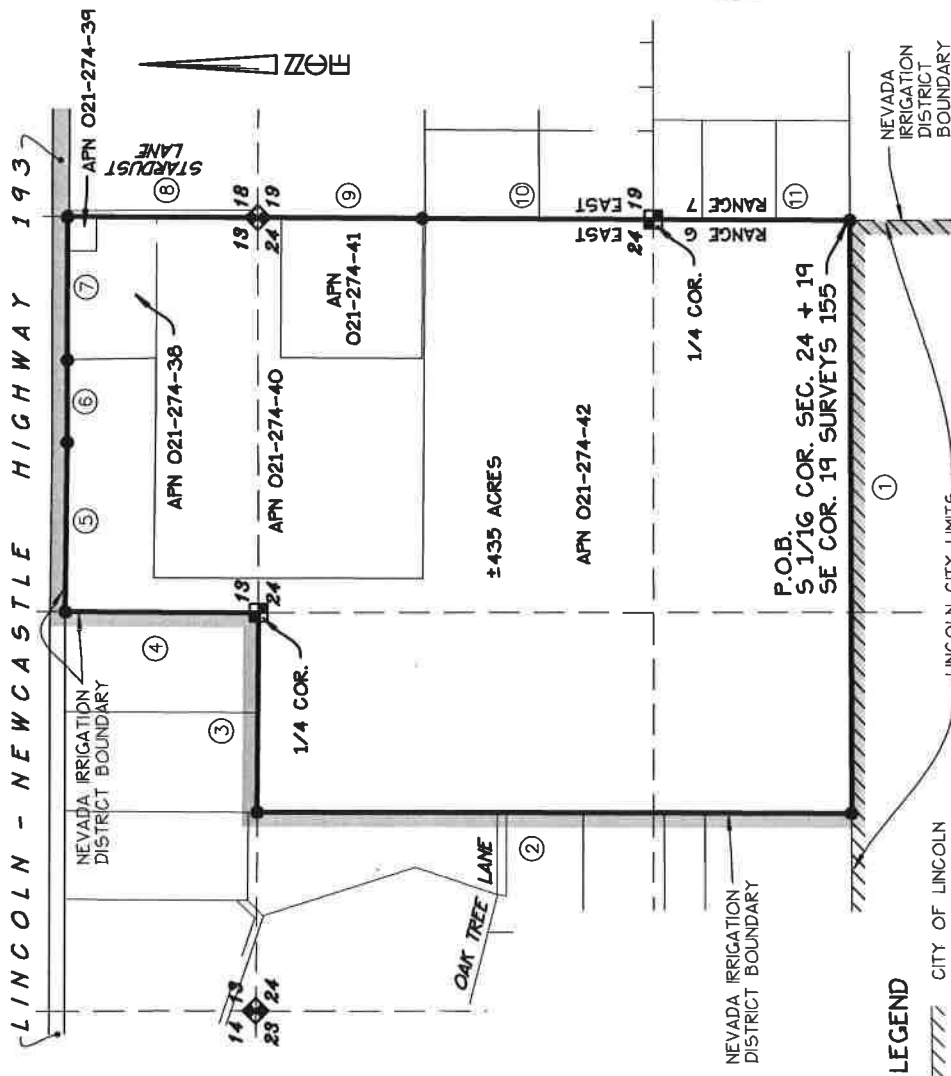
S 1/2-SE 1/4 SEC. 13, NE 1/4, N 1/2-SE 1/4,
E 1/2-NW 1/4, NE 1/4-SW 1/4 SEC. 24, T. 12 N.,
R. 6 E., M.D.M.

WITHIN THE UNINCORPORATED TERRITORY OF

PLACER COUNTY, CALIFORNIA

SCALE: 1" = 800' FEBRUARY, 2016

NEVADA CITY ENGINEERING, INC.
505 COYOTE STREET • P.O. BOX 1437 • NEVADA CITY • CALIFORNIA



LEGEND

- CITY OF LINCOLN
- EXISTING NID LIMITS
- SECTION CORNER
- QUARTER CORNER

GRAPHIC SCALE

SCALE: 1" = 800'



12F

CITY COUNCIL REPORT

SUBJECT: PFE Implementation Plan and Policies

SUBMITTED BY: Steve Ambrose, Director of Support Services

DEPARTMENT: Support Services

DATE: December 13, 2016

STRATEGIC RELEVANCE: Organizational Efficiency

STAFF RECOMMENDATION:

Staff recommends that the City Council (1) adopt a resolution to approve the Public Facilities Element Implementation Plan and Policies, and (2) review as an information item the proposed Master PFE List for Transportation, Water, Wastewater and Drainage.

BACKGROUND/ANALYSIS:

The City's current Public Facilities Element (PFE) fees were adopted in February of 2012 based upon the Nexus Study completed by Goodwin Consulting Group (Goodwin). The study included build-out of the former General Plan, the Lincoln 270 development that was annexed in 2007 and Village 7 that was annexed in 2010. City staff has been working on the PFE program for the entire General Plan, that would include Villages 1 through 6 and Special Use Districts A, B and C.

To date, staff has drafted revisions to the City's PFE Implementation Plan and Policies based on experiences and issues subject to differing interpretations in past developments. City staff, with the assistance of our engineering consultants, has prepared project lists and maps for Transportation, Water, Wastewater and Drainage. Two meetings were held with the development community to review and discuss the infrastructure projects necessary to serve the future development of the City.

The next step in the process is the completion of a nexus study, for which a contract with Goodwin has already been approved. City staff is requesting City Council to approve the revised PFE Implementation Plan and Policies to provide the basis of assumptions to be applied in the study.

The purpose of the study will be to identify the infrastructure necessary to provide adequate services to the development of the City and establish the PFE fees for the entire General Plan. This nexus serves as the basis for requiring development impact fees under AB1600 legislation. The Mitigation Fee Act (the "MFA") sets forth the procedural requirements for establishing and collecting development impact fees and



requires that a “reasonable relationship, or nexus, must exist between a government exaction and the purpose of the condition”. The study does the following:

- ✓ Identifies the purpose of the fees;
- ✓ Identifies how the fees are to be used;
- ✓ Determines how a reasonable relationship exists between the fees’ use and the type of development project on which the fees are imposed;
- ✓ Determines how a reasonable relationship exists between the need for the public facility and the type of development project on which the fees are imposed;
- ✓ Demonstrates a reasonable relationship between the amount of the fees and the cost of the public facilities attributable to the development on which the fees are imposed.

Included in the staff report as additional information are the Master PFE Lists for Transportation, Water, Wastewater and Drainage. These are the current infrastructure projects identified that would be necessary to provide adequate services to development in the City. A brief description of each is provided below.

Transportation

The project list and map were developed from General Plan model and include updated information available from the Village 1 and Village 5 proposed infrastructure models. The traffic modeling was completed by DKS in coordination with engineers working on specific development projects.

The projects reflect the basic premise that developers will be responsible for the construction of two travel lanes, NEV/bike lanes, curb, gutter, sidewalk and median improvements. The funding of intersection improvements and interchanges would continue to be 100% PFE.

Water

The project list and map were developed from the water model recently completed by Tully & Young in coordination with Frank Bradham. The pipelines are based on the standard incremental oversizing when greater than 16” in diameter and identifies those which will be funded 100% in the PFE program. The plan also identifies specific conditions that could result in greater costs, such as alignments at waterway crossings, railroad crossings and interchanges.

The well locations are general in nature and serve as placeholders in the fee program. The proposed number of wells is based on the water model establishment of 57 mgd at build-out, assumptions established in the General Plan, and the pumping capacity of the five existing wells.

Wastewater

The project list and map and project list were developed from General Plan model with adaptations from the Village 1 and Village 5 proposed infrastructure models. The City is currently under contract for the completion of an updated master plan and model. It is expected that the wastewater projects will be updated in the fall of 2017 when the model is completed.



The project list identifies the PFE pipelines based on the potential incremental oversizing and those that would be funded 100% in the PFE program. The plan also identifies specific conditions that could result in greater costs, such as alignments at waterway crossings, railroad crossings and interchanges.

In regards to the treatment component of the Wastewater PFE, the City is gathering costs for the WWTRF expansions necessary to provide capacity at build-out. Included in the expansion of the WWTRF projected costs will be the required storage ponds and amenities for treated water to be efficiently distributed into the City's reclaimed water system.

The Wastewater component includes the reclaimed water infrastructure, which is currently referenced as "Non-Potable Water" to include the potential use of raw water from either delivery from PCWA or NID, and the use of wells. The project list and map was developed from a recently completed 30% model using information provided in the General Plan and proposed infrastructure models from Village 1 and Village 5. The City may consider the separation of these projects from the Wastewater component in future studies.

Drainage

The project list and project descriptions were developed from the General Plan model with adaptations from the Village 1 and Village 5 proposed infrastructure. The projects were also updated by Thomas Plummer of CESI to reflect current requirements of state and federal agencies.

FISCAL IMPACT:

There are no fiscal impacts associated with the requested actions. The nexus study that developers the PFE fees will be presented to the City Council during a public hearing when it is completed, which is anticipated in the spring of 2017.

CITY MANAGER REVIEW OF CONTENT:

APPROVED AS TO LEGAL FORM: LZW

ATTACHMENTS:

- Public Facilities Element Implementation Plan and Policies
- Resolution
- PFE Master lists and maps for Transportation, Water, Wastewater and Drainage.



**CITY OF LINCOLN
PUBLIC FACILITIES ELEMENT
IMPLEMENTATION PLAN
AND POLICIES**

ADOPTED BY THE LINCOLN CITY COUNCIL ON _____, 2016

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1. PREAMBLE & DEFINITIONS

A. Preamble

In order to be effective and protect the long-term ability of the Public Facilities Element (PFE) to provide financing for needed infrastructure, it is necessary to create a program that will be uniformly applied throughout the City of Lincoln. The purpose of this Implementation Plan is to guide the application of Public Facilities Element Fees ("PFE Fees") that are legally defensible, commensurate with the impact of development, and that will provide funds for identified projects when the need for those projects arise. The Implementation Plan further describes the mechanism whereby landowners will be compensated for the construction of public facilities identified in the PFE and how the PFE and reimbursements to Landowners will be applied.

This Implementation Plan is premised on the requirement that all Landowners developing within the City of Lincoln contribute a fair share amount towards the cost of providing the infrastructure that will be required to serve the development. To accomplish this goal, the most practical approach is the development of a uniformly applied policy for establishing and collecting fees, and issuing credits.

B. Definitions

Administration Fee: The City will charge a fee to offset the administrative costs related to the PFE program. The fee shall be two and one-half percent (2.5%) of the estimated project costs included in the Master PFE List, which has been determined to be the approximate cost to offset administrative processing. This fee is one of the three components of the total PFE Fee.

Community Facility Fees: The fees calculated to pay for Community Facility Improvements.

Community Facility Improvements: Improvements related to police, fire, city administration, solid waste, park and library that are included in the City's Public Facilities Element (PFE) requirements.

Creditable Improvements: Infrastructure or Community Facility Improvement funded or constructed from sources other than Infrastructure Fees or Community Facility Fees (e.g. direct developer funding or bond financing). Creditable means that estimated costs as contained within the current Master PFE List may be "credited" against future Infrastructure or Community Facility Fees, thereby potentially reducing fee obligations of future development.

Critical Infrastructure Improvements: Those Infrastructure Improvements determined jointly by the City and Developers to be required at predetermined development thresholds.

Critical PFE Fees: That portion of the PFE Fees set aside for the funding of Critical Infrastructure Improvements. Fees for Critical Infrastructure Improvements will be accounted for separately and will not be available to retire PFE Credits for non-critical Infrastructure Improvements. This is one of the three components of the total PFE Fee.

Equivalent Dwelling Unit (EDU): One EDU is defined as a low density (3.0 – 5.9 dwelling units/acre) single-family residential household.

Infrastructure Fees: The fees calculated to pay for Infrastructure Improvements.

Infrastructure Improvements: Water, wastewater, transportation, or drainage improvement required to fulfill the City's Public Facilities Element (PFE) infrastructure requirements. Reclaimed water and other non-potable water improvements are included within the Wastewater program.

Master PFE List: A listing of all capital improvements required for development within the City of Lincoln. This list includes both Infrastructure and Community Facilities Improvements.

Non-Critical PFE Fees: That portion of the PFE Fees collected that is not set aside for the funding of the Critical Infrastructure Improvements, or the Administration Fee. This is one of the three components of the total PFE Fee.

PFE Fee Credits: The amount based upon the construction or funding of a Creditable Improvement. PFE Fee Credits can be used as offsets to the payment of specific components of the PFE Fees.

PFE EDU Factors: The EDU factors used to determine the need for Infrastructure and Community Facility Improvements. These EDU factors may vary by land use and type of facility. (As an example, PFE EDU Factors may be as follows: 1.0 per low density single-family unit, 0.74 per medium density single-family unit, 0.24 per high density multi-family unit.)

II. CAPITAL FACILITIES IDENTIFIED

A. Master PFE Lists

The City in conjunction with Development interests shall establish and adopt the Master PFE List identifying all of the capital improvements required to satisfy the demands of the City of Lincoln Public Facilities Element. These capital facilities will be required for the development of Lincoln and also be the basis of an equitable and legal allocation of improvement costs.

B. Additions & Deletions to Master PFE List

Although the Public Facilities Element is a thorough document, flexibility is required to deal with new information and changed circumstances. There shall be enough flexibility to add or delete capital improvements from the Master PFE List. Any amendments or additions to the Master PFE List shall be supportable through benefit-nexus analysis and be reasonably necessary to the development of Lincoln.

C. PFE Categories

PFE Fees and Credits will be segregated into two primary categories. The first category is the backbone infrastructure items, which is referred to as the Infrastructure Improvements. The second category is the public facilities group, which is referred to as the Community Facility Improvements.

III. ESTABLISHING PFE FEES

A. Determining EDU's

1. Zone of Benefit: The City will allocate the costs from the Master PFE Lists through a fair share benefit/nexus analysis. This may be achieved with either the establishment of a single city-wide fee program or multiple fee programs for specific areas or zones.
2. EDU's and Land Use: PFE EDU Factors shall be applied to specific land uses and facility types to establish Infrastructure and Community Facility Fees as part of the fair share benefit/nexus analysis.
3. Density vs. Entitlements: Actual unit yields will establish EDU totals. This shall be the case regardless of whether actual yields are less than or greater than granted entitlements. Variances between density and entitlements will impact on EDU's available to pay for improvements and will necessitate an adjustment to EDU totals and PFE Fees.

B. EDU Adjustments

EDU totals, as used in establishing PFE Fees, shall be adjusted whenever it becomes apparent that actual densities will vary from entitlements. This will most likely occur during tentative map processing. The new EDU total shall reflect the adjusted EDU's on the proposed project plus the remaining EDU entitlement base. No attempt shall be made to extrapolate density yields on early projects to subsequent projects. Total EDU's = Built EDU's + Planned EDU's + Remaining Entitlement EDU's.

C. Adjusting PFE Capital Costs

1. CCI Adjustments: All Infrastructure and Community Facility Improvement costs as identified by the Master PFE List will be adjusted annually an amount equal to the percentage increase in the "Construction Cost Index" (CCI) of the Engineering News Record using a twelve month period.
2. Revised Cost Estimates: Over time, new engineering studies may produce cost estimates that vary from original projections. New estimates could even be the result of an alternative engineering approach. If the City agrees with the revised cost estimates, the Master PFE List may be amended to reflect the new values. The revised cost estimates will supersede "CCI" adjustments.

D. Adjusting PFE Fees

Based upon the adjustments made to the EDU's in Paragraph III.B and adjustments made to the Master PFE List in Paragraph III.C, the PFE Fee and its components shall be adjusted accordingly. This would mean new PFE Fees based upon EDU allocations for all proposed and outstanding entitlement interests.

E. Fixing Fees

Infrastructure Fees and Community Facilities Fees are fixed when the building permit is issued and the fees are paid.

F. Timing of PFE Fee Payments

Fees will normally be paid at the issuance of the building permit for all development. However, residential, commercial and industrial developments may be allowed, at the discretion of the City Manager, to pay specified fees no later than the issuance of a Certificate of Occupancy or up to 12 months following the issuance of the building permit, whichever occurs first.

G. PFE Fee Components

The PFE Fees will include three components; Critical Fee, Non-Critical Fee and the Administrative Fee.

IV. CAPITAL ACCOUNTS

It is anticipated that the bulk of the projects on the Master PFE List will be constructed by developers who will then be reimbursed for such construction through the application of credits against future PFE Fees or through cash reimbursement for credit retirement.

A. Credit Structure

1. What Constitutes a Credit: A builder or developer who builds or funds the construction of a Creditable Improvement receives a PFE Fee Credit that can be redeemed as prepaid PFE Fees.
 - a. Credits earned for a Creditable Improvement that is not identified as a Critical Infrastructure Improvement may only be applied towards the Non-Critical Fee component of the PFE Fee.
 - b. Credits earned for a Critical Infrastructure Improvement will be applied towards the Critical Fee component of the Improvement and then towards the Non-Critical Fee component of the PFE Fee.
 - c. Credits cannot be applied towards the Administrative Fee component.
2. When Credits are Accrued: Credits shall accrue when the Developer has completed the construction of a Creditable Improvement and the improvement has been accepted by the City, or when the Developer has bonded for the construction of the improvement to the satisfaction of the City Engineer. The City may require a retention for a bonded construction project.
3. Credits Personal to Constructing Property Owner: All rights to Fee Credits shall be personal to the property owner that was financially responsible for building or funding the PFE improvements and such rights shall not run with the land. The constructing property owner may transfer and/or assign their rights upon sale of their property to the new owner with a written document approved in form and acknowledged by the City. Fee credits may not be sold and/or transferred to other property owners, unless otherwise agreed upon in a written document that has been reviewed and approved by the City Council.

4. Credit Accounts: The City shall maintain the necessary records to determine and account for the amount of credit or reimbursement due the holders of PFE Credits. PFE Credits that have been accrued to a Developer are not included in the adjustments described in Section III.C.
5. Estimated vs. Actual Construction Costs: For most projects, the PFE Credits will be based upon estimated costs as contained within the Master PFE List. The City will identify on the Master PFE List those projects that require the reconciliation of actual construction costs, which will be the available PFE Credits. It is recognized that the Master PFE List will be continually updated as revised cost estimates become available and the PFE Fee adjusted accordingly.

B. Repayment of Credits

The City will seek to repay credits only when funds are available in the appropriate fee category. The City shall determine when funds are available for the repayment of credits.

C. Repayment Sources

The City shall collect PFE Fees from all development occurring in the City of Lincoln. Credits generated in the Infrastructure Improvements category shall be repaid from Infrastructure Fees. Credits from Community Facilities shall be repaid with Community Facility Fees, with each fee accounted for separately.

D. Repayment Priority

Credits will be repaid by the City on a "first in-first out" basis. This method will be utilized regardless of the amount of credit in an individual developer account. There will be no interest accrual on credit balances since the PFE Fees do not contain an interest component.

E. Temporary or Interim Facilities

A builder or developer may elect, with the approval of the City, to construct interim or temporary facilities pending the construction of needed improvements on the Master PFE List. No credits or reimbursements shall be available for such interim or temporary improvements.

V. GENERAL PFE POLICIES

A. Access to PFE Facilities

This Implementation Plan is premised on the belief that each landowner or developer will pay a fair share of facility costs and will have equal access to those facilities financed with PFE Fees or creditable expenditures. Accordingly, no developer or landowner shall receive from the City any preferential right or reserved capacity for or from a facility constructed with PFE funds or for which credits or reimbursements are provided from PFE funds, except as noted in Paragraph V.B.

B. Reservation of PFE Capacity

Infrastructure Improvements for which there is a finite capacity, such as water or wastewater improvements, may be reserved for the use by the party funding the improvements. Examples of reserved capacity include, but are not limited to, wastewater treatment and water storage. The quantity of the reserved capacity is not impacted by the adjustments applied in Section III.C to the PFE Fees.

C. Fee Retention within a General Plan Village or Special Use District

The non-critical component of the PFE fees paid by the General Plan Villages and Special Use Districts (SUD's) may be retained by the City in accounts separate from the PFE fees collected outside the Village or SUD. The PFE fees will be retained for the construction of Infrastructure Improvements and Community Facilities that the City requires of the developers. The City shall only retain the PFE fees that have required projects identified, and only until the accumulated funding is adequate for the required projects. The Fee Retention must be specified in written documentation that is reviewed and approved by City Council.

VI. TRANSPORTATION, WATER, WASTEWATER, DRAINAGE FEES

A. Infrastructure Improvements

1. Combined Fees: The City of Lincoln may permit the combining or pooling of all fees within this category. This pool will be available to fund PFE improvements in any infrastructure category and be available to retire credits generated in any Infrastructure Improvement category. Pooling allows more flexibility to respond to infrastructure needs and retire credit balances more quickly. Pooled credits are subject to the credit structure described above in Section IV.A.

2. Determining Critical Infrastructure Improvements: A certain percentage of the Infrastructure Improvement Fees may be allocated to a fund whose balances are designated for Critical Infrastructure Improvements. The City in conjunction with the Development interests may identify Critical Infrastructure Improvements and establish appropriate funding triggers.
3. Establishing Funding Triggers: The amount of the PFE Fee allocated to Critical Infrastructure Improvements is a function of the estimated costs to build the improvements and the number of EDU's built before the improvements are needed.
4. Allocation of Fees: From the total Infrastructure Fees collected a portion will be allocated to the eventual funding of Critical Infrastructure Improvements. This allocation percentage could be established by the steps outlined in Paragraphs 2 and 3 above. These allocated fees shall be accounted for separately.
5. Studies, Models and Master Plans: The fees shall include the cost of studies, models and master plans required to identify, develop, plan, engineer and implement the infrastructure improvements.

B. Development Obligations – Non-PFE Creditable Improvements

Unless the City and the Developer have expressly agreed upon different requirements in an executed written document that has been reviewed and approved by the City Council, and the PFE Master List has been modified to record such terms, the following requirements are the Developers' obligation.

1. All infrastructure Categories:
For all infrastructure projects, the Developers shall be responsible for the funding and/or construction of the following:
 - All necessary easements and right-of-way requirements
 - Underground installation of all utilities
 - All Wetland mitigations
 - All other required mitigation measures
 - All SWPPP requirements
 - All required environmental studies and reports

When a PFE project is at or near the property line between two landowners, the City shall determine the equitable share for each landowner's obligation. This allocation of costs is typically related to Transportation projects, but could be applied to other projects as determined by the City. The PFE program could include the costs for the equitable share of improvements when one or more of the landowners are a "Nonparticipating Party".

A Nonparticipating Party could include, but is not limited to the following:

- The City of Lincoln (examples are Airport, Wastewater Treatment Plant, etc.)
- Other public agencies, such as Placer County, City of Roseville, Union Pacific Railroad, Caltrans, and others.
- Areas that are outside the City of Lincoln's Sphere of Influence.

2. Transportation:

For all Transportation projects the Developers shall be responsible for the funding and/or construction of the following:

- NEV and/or bike lanes
- Curb and gutter improvements
- Sidewalks
- All landscaping improvements, including water connection fees
- All median improvements, including water connection fees
- Sound walls, fences or other required barriers
- All Street lights

For specific Transportation project types, in addition to the obligations identified above, the Developers shall be responsible for the funding and/or construction of the following:

A. Roadways - Developers shall be required to construct and/or fund the construction of two lanes, including but not limited to:

- Travel lanes in compliance with City standards
- Striping and signage
- Turning movements, merging lanes and acceleration lanes

B. Bridges - Developers shall be required to construct and/or fund the construction of two lanes, including but not limited to:

- Travel lanes in compliance with City standards
- Railings, pilasters or other required barriers
- Striping and signage

C. Overcrossings - Developers shall be required to construct and/or fund the construction of two lanes, including but not limited to:

- Travel lanes in compliance with City standards
- Railings, pilasters or other required barriers
- Striping and signage

D. Signalized Intersections - Developers shall be required to construct and/or fund the construction of two lanes in all directions, including but not limited to:

- Travel lanes in compliance with City standards
- Striping and signage
- Merging lanes from the frontage properties

E. Interchanges – The Developers obligations shall include, but are not limited to, the funding and/or provision to the City at no cost and with no right to reimbursement the following:

- Locations for signage related to the interchange
- Sound walls, fences or other required barriers adjacent to and/or related to the interchange

3. Water:

The City shall require new development to be responsible for construction of potable water transmission and distribution lines less than 18" in diameter and the PFE Fee program will fund the incremental oversizing costs. The incremental oversizing costs are the difference in the cost for the 16" pipe and the constructed PFE pipe size. As determined by the City, provisions will be made allowing reimbursement from Third Parties should such lines result in an "over-sizing" for a particular development.

The PFE Fee program shall be based on a master plan implementing the following assumptions:

- Transmission pipelines shall be 18" or greater in pipe size.
- Service connections are not allowed on pipelines greater than 16".
- Maximum Day Demands using a maximum flow velocity of 7 feet per second.
- Maximum Day Demands plus a single fire flow using a maximum flow velocity of 10 feet per second.
- Peak-hour Demand using a maximum flow velocity of 10 feet per second.
- Well pumping capacity is to equal 75% of average day demand plus a backup well for every three wells.
- The City reserves the right to require up to 75% of Maximum Day Demands for City water storage facility sizing, however, the minimum requirement shall be 35% of Maximum Day Demands, based on the sum of the following three components:
 1. Equalizing Storage – 25% of maximum day demand
 2. Fire Reserve – provide fire reserve as required by the Insurance Services Office (ISO) or as required by the City Fire Chief and City Engineer.
 3. Emergency Reserve – 33% of the total of Equalizing Storage and Fire Reserve

4. Wastewater:

Developers shall be required to fund the construction of wastewater and reclaimed water pipelines to serve their project as determined by the City Engineer. The PFE Fee program will fund the incremental oversizing costs. The incremental oversizing costs are the difference in the cost for the pipe to serve the development and the constructed PFE pipe size. The standard minimum Developer responsibility for pipelines shall be 12" diameter for wastewater and 8" diameter for reclaimed water. Pipeline segments upstream of any point of connection for a particular Specific Plan may be considered to be in a non-participating area, and fully funded through the PFE.

If the Development is served by a lift station and/or pump station, the Developer shall be required to provide an ongoing funding mechanism for the operation, maintenance and replacement of the facilities.

In regards to the reclaimed water services, the City reserves the right to implement other sources to replace and/or serve as a backup to the reclaimed water service. Potential sources could include, but are not limited to raw water delivered from a water agency or wells. Evaluation of the alternative sources shall include the availability, dependability, and cost-effective delivery.

5. Drainage:

All Developers shall be required to participate and pay all PFE fees related to the regional drainage, storage, and retention facilities identified in the PFE program. The PFE projects are intended to meet or exceed the current requirements and mandates.

VII. COMMUNITY FACILITY FEES

(Police, Fire, City Administration, Parks, Libraries, Solid Waste)

A. Establishing Public Facilities Funds

1. Segregation of PFE Fees: Fees collected for Community Facility Improvements shall be segregated from fees collected for Infrastructure Improvements. This means that fees are segregated for the purposes of building capital improvements and are not available for retiring infrastructure credit balances.
2. Separate Accounting: Six separate segregated accounts will be maintained for PFE Fees collected for Police, Fire, City Administration, Solid Waste, Parks, and Libraries. Inter-fund borrowing will be allowed but conditioned upon the imposition of strict accounting and repayment provisions.

3. Timing of Facilities: Planning for new public facilities will commence no later than (1) When the demand is present for the facility as identified in the PFE documents or through City Council resolution and (2) There will be sufficient fees available to complete construction of the improvements.
4. Construction and Completion: Construction of public improvements shall begin no later than twelve months after the commencement of planning and be completed in a reasonable period of time as determined by the City Engineer given the nature of the improvement.
5. Location of Facilities: The location of facilities shall be determined by service needs and if warranted, the City shall endeavor to locate new facilities in those development areas creating the demand and generating the PFE Fees.
6. Credits for PFE Construction: No PFE Credits shall be given for developer expenditures on PFE improvement upgrades or improvements in excess of the PFE requirements. Additional improvements are at the discretion of the Developer and must be submitted to the City Engineer for approval, which shall not be unreasonably withheld.
7. Collection of Fees: Fees will normally be paid at the issuance of the building permit for all development. However, residential, commercial and industrial developments may be allowed, at the discretion of the City Manager to pay specified fees no later than the issuance of a Certificate of Occupancy, or up to 12 months following the issuance of the building permit, whichever occurs first.
8. Community Facility Fee Deferral: As specified in a Development Agreement, Community Facility Fees may be deferred for Infrastructure Improvements if it is found to be in the City's overall best interest. Provisions allowing such practice are intended to be limited in scope and only allowed where a developer is required to install PFE Infrastructure improvements in excess of the infrastructure fees required for the project, and an analysis has been submitted showing when and how the Community Facility fees will be collected by the City. Adequate assurances shall be required by the City to satisfactorily secure future payment of deferred Community Facility fees.

RESOLUTION NO. 2016-248

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LINCOLN
APPROVING THE PUBLIC FACILITIES ELEMENT
IMPLEMENTATION PLAN AND POLICIES**

WHEREAS, The City of Lincoln has Public Facilities Element Implementation Plan and Policies to administer the development impact fee program; and

WHEREAS, revisions to the Public Facilities Element Implementation Plan and Policies are necessary to reflect current policy direction.

NOW, THEREFORE, the City Council of the City of Lincoln hereby resolves as follows:

Section 1. The City Council approves the attached Public Facilities Element Implementation Plan and Policies, authorizing City staff to implement insignificant administrative revisions only for efficient and effective implementation.

PASSED AND ADOPTED this 13th day of December 2016, by the following vote:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

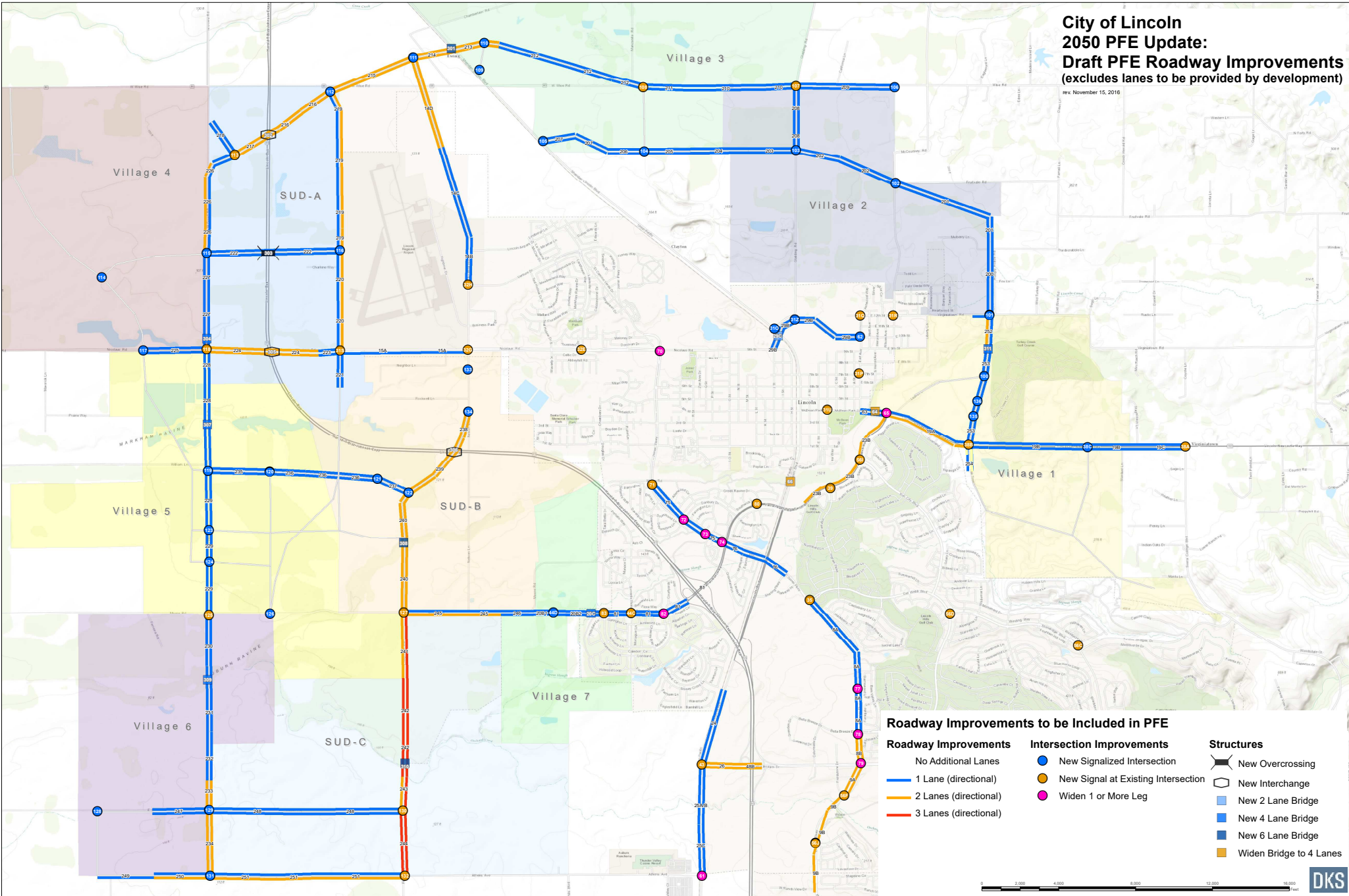
ABSENT: COUNCILMEMBERS:

Peter Gilbert, Mayor

ATTEST:

Gwen Scanlon, City Clerk

City of Lincoln
2050 PFE Update:
Draft PFE Roadway Improvements
(excludes lanes to be provided by development)
rev November 15, 2016



Roadway Improvements to be Included in PFE

Roadway Improvements

- No Additional Lanes
- 1 Lane (directional)
- 2 Lanes (directional)
- 3 Lanes (directional)

Intersection Improvements

- New Signalized Intersection
- New Signal at Existing Intersection
- Widen 1 or More Leg

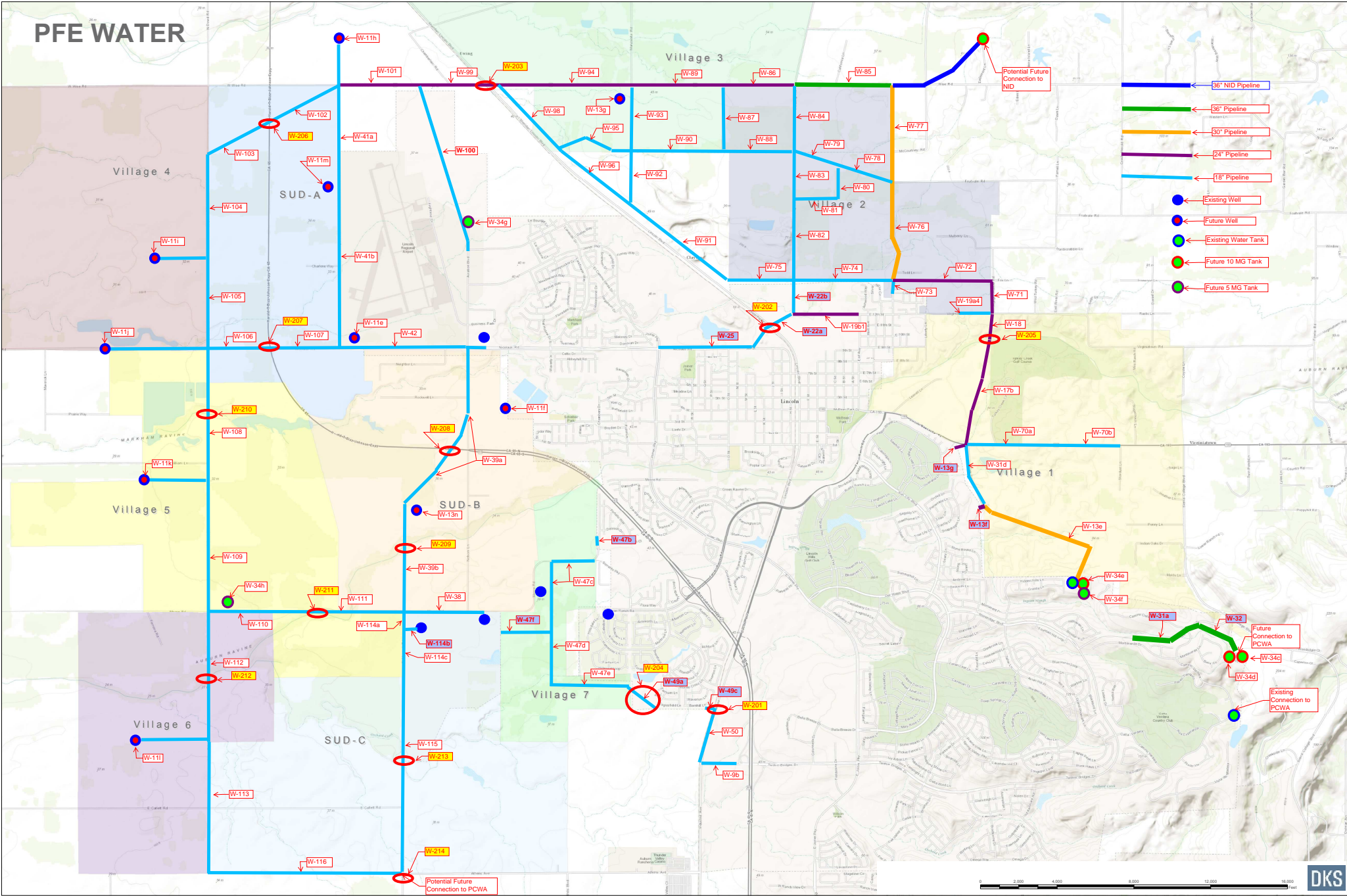
Structures

- New Overcrossing
- New Interchange
- New 2 Lane Bridge
- New 4 Lane Bridge
- New 6 Lane Bridge
- Widen Bridge to 4 Lanes

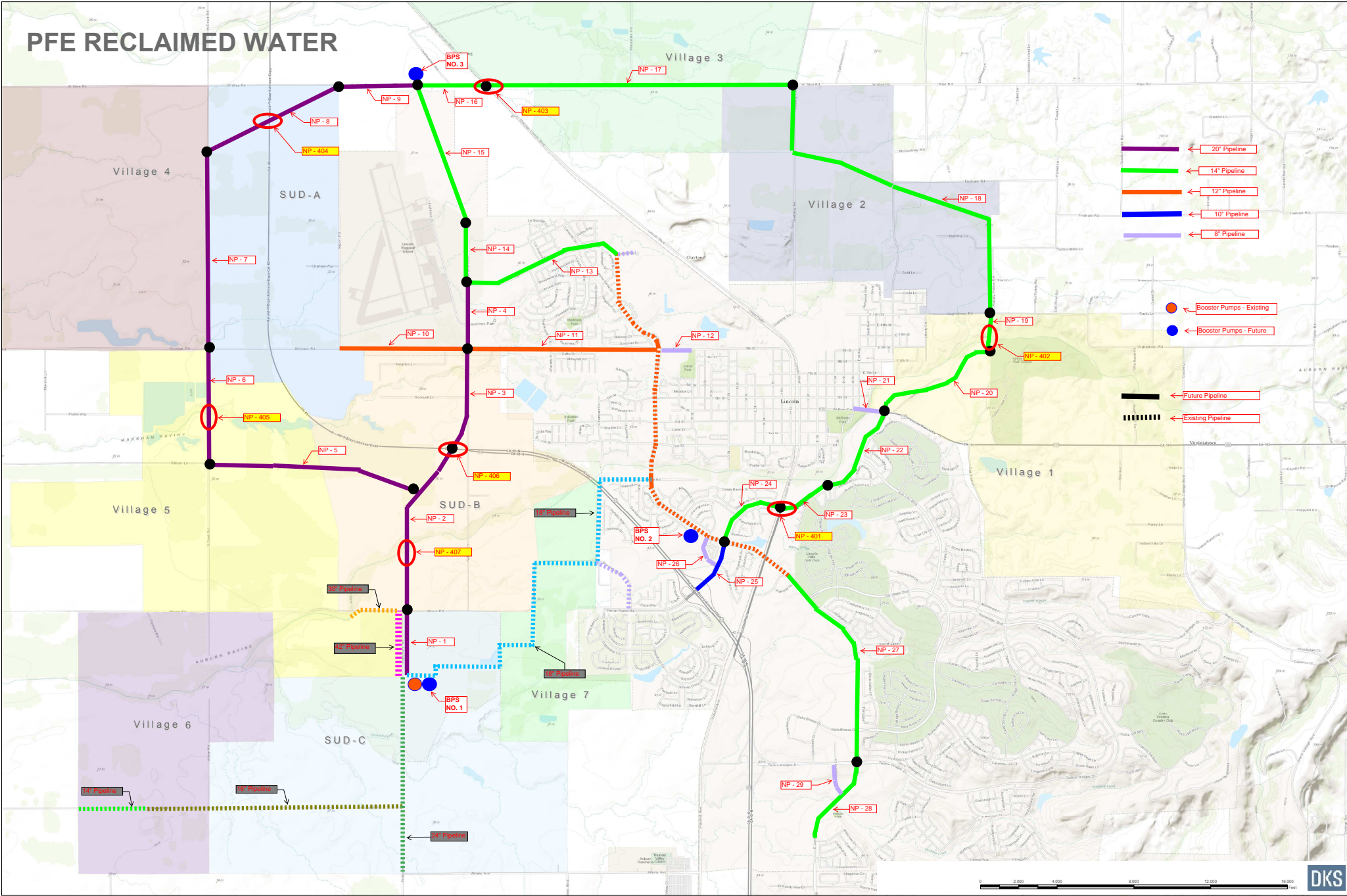
0 2,000 4,000 6,000 8,000 10,000 12,000 14,000 16,000 feet

DKS

PFE WATER



PFE RECLAIMED WATER



PFE WASTEWATER

- 60" Pipeline
- 54" Pipeline
- 42" Pipeline
- 39" Pipeline
- 36" Pipeline
- 33" Pipeline
- 30" Pipeline
- 27" Pipeline
- 24" Pipeline
- 21" Pipeline
- 15" Pipeline
- 12" Pipeline

- Pump Station
- 21" Force Main



DKS

City of Lincoln
Drainage Improvements

Project No.	Project Description	Qty	Unit	Unit Cost	2016 Project Cost	20% Contingency Mark Up	15% Design/Environmental Mark Up	5% Construction Management Mark Up	5% PM Mark Up	2016 Total Project Cost
Regional Drainage Improvements										
Dr-1	Flood Warning System	1	EA		\$ 114,636	\$ 22,927	\$ 17,195	\$ 5,732	\$ 5,732	\$ 166,223
Dr-2b	Stormwater Management Plan - Phase II	1	EA		\$ 206,897	\$ 41,379	\$ 31,034	\$ 10,345	\$ 10,345	\$ 300,000
Dr-3	Auburn Ravine Improvement Program									
Dr-3a	Auburn Ravine Floodwall (Reimbursement)	0	EA		\$ 277,601					\$ 277,601
Dr-3d	SR 193 Auburn Ravine Bridge	1	EA		\$ 2,344,828	\$ 468,966	\$ 351,724	\$ 117,241	\$ 117,241	\$ 3,400,000
Dr-3e	Overflow Weir for Channeling to Ingram Slough (Reimbursement)	0	EA		\$ 138,771					\$ 138,771
Dr-4	Retention Basin Regional Component									
Dr-4a	Auburn Ravine, Phase 1 (Reimbursement)	357	AF		\$ 241,853					\$ 241,853
Dr-4d	Lakeview Farms, Phase 1	1050	AF		\$ 3,865,000	\$ 773,000	\$ 579,750	\$ 193,250	\$ 193,250	\$ 5,604,250
Dr-4e	Credit for Reclamation Storage	1	EA		\$ (2,775,238)					\$ (2,775,238)
Dr-7	Stream Restoration Projects									
Dr-7a	Auburn Ravine (Analysis & Repairs)	1	EA		\$ 612,414	\$ 122,483	\$ 91,862	\$ 30,621	\$ 30,621	\$ 888,000
Dr-7b	Markham Ravine (Analysis & Repairs)	1	EA		\$ 1,924,690	\$ 384,938	\$ 288,704	\$ 96,235	\$ 96,235	\$ 2,790,801
Dr-20	Lakeview Farms, Phase 2	1800	AF		\$ 11,680,000	\$ 2,336,000	\$ 1,752,000	\$ 584,000	\$ 584,000	\$ 16,936,000
Dr-21	Emergency Management Plan				\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ 250,000
	Subtotal				\$ 18,881,452	\$ 4,149,693	\$ 3,112,269	\$ 1,037,424	\$ 1,037,424	\$ 28,218,261
North Drainage Improvements										
Dn-1	Markham Ravine RR/Hwy Crossing	1	EA		\$ 360,053	\$ 72,011	\$ 54,008	\$ 18,003	\$ 18,003	\$ 522,077
Dn-2	"O" Street Drainage Improvements	1	EA		\$ 434,393	\$ 86,879	\$ 65,159	\$ 21,720	\$ 21,720	\$ 629,870
Dn-3	7th Street Drainage Improvements	1	EA		\$ 819,524	\$ 163,905	\$ 122,929	\$ 40,976	\$ 40,976	\$ 1,188,311
	Subtotal				\$ 1,613,970	\$ 322,795	\$ 242,096	\$ 80,699	\$ 80,699	\$ 2,340,257
South Drainage Improvements										
Ds-1	SPRR Bridge Ingram Slough (Reimbursement)	1	EA		\$ 408,844					\$ 408,844
Ds-2	SR 65 Structure Ingram Slough (Reimbursement)	1	EA		\$ 406,156					\$ 406,156
Ds-20	Village 1 - Ingram Slough Dam	1	EA		\$ 918,966	\$ 183,793	\$ 137,845	\$ 45,948	\$ 45,948	\$ 1,332,500
	Subtotal				\$ 1,733,966	\$ 183,793	\$ 137,845	\$ 45,948	\$ 45,948	\$ 2,147,500
Drainage Projects Total:					\$ 22,229,388	\$ 4,656,281	\$ 3,492,210	\$ 1,164,071	\$ 1,164,071	\$ 32,706,018

Dr-1 Flood Warning System

Issue/Background Statement:

Purchase and install necessary software, rainfall and stream gauges; also training and tools to monitor precipitation and creek flows. Transmit preset warning parameters to City EMS systems. Add additional gauges as necessary.

Other Alternatives Considered (including No Action):

No Action. City would continue to respond to emergencies and flood fighting based on citizen notifications.

Cost Estimate:

\$166,223.

Cost Benefit:

Early warning of flood conditions could assist in prioritizing emergency response, and prevent damage, and reduce risk of injury to citizens with flood fighting.

Nexus:

Increased development increases runoff and the number of structures that may be affected by flooding. Drainage systems built incrementally with new development require a system to operate the various parts of the city flood control system.

Dr-2B Stormwater Management Plan Phase II (Monitoring)

Issue/Background Statement:

The City of Lincoln adopted an ordinance imposing limitations and procedures regarding storm water treatment and incidents affecting storm water run-off facilities. This plan was assembled and approved according to EPA recommendations.

Other Alternatives Considered (including No Action):

Not imposing additional safety measures would be failure to comply with NPDES PHASE II requirements.

Cost Estimate:

\$300,000.

Cost Benefit:

Reduction of environmental and natural hazards to waterways and areas within the city and surrounding regional waterways

Nexus:

Increased development incrementally increases stormwater quality issues. These issues require a systematic analysis and implementation program to adequately address stormwater quality issues created by new development.

Dr-3D SR193 Auburn Ravine Bridge

Issue/Background Statement:

The Existing State Route 193 Bridge at Auburn Ravine does not meet City requirements for flooding in the 100-year design event. A new 300 foot bridge structure located in the overbank areas would provide additional conveyance capacity, but roadway elevations at SR-193 would also have to be raised. The bridge is currently in design.

Other Alternatives Considered (including No Action):

No Action

Cost Estimate:

The City has applied for federal HBRR (highway bridge replacement and rehabilitation) funds with an 88.53% reimbursement rate for eligible components. The total estimated project costs are \$15,500,000 and the City's cost share is estimated to be \$3,400,000.

Cost Benefit:

This is necessary for health and safety issues relating to emergency service accessibility during a major flood event. This is also one of three major access points to the historical areas of the City.

Nexus:

New development increases runoff and increases the impact of road closures resulting from roadway flooding. Access around the City during storm events becomes more critical as the population of the City increases.

Dr-4D Lakeview Farms Phase 1 - 1050 Acre feet

Issue/Background Statement:

As a result of litigation, the City of Lincoln is required to mitigate the increased volume of runoff created by the development of housing, commercial, industrial and infrastructure required for local and regional growth. Volumetric mitigation storage facilities to mitigate or hold water during downstream flooding and then release were constructed at the City's WWTRF (wastewater treatment and reclamation facility) by Del Webb to mitigate the South Lincoln Master Drainage Plan Developments. The facility retains 357 acre foot. It is in the City's best interest in the long-term to convert the constructed retention facility into a reclaimed water storage pond.

The City acquired 320 acres north-west of the City, known as Lakeview Farms, to construct a permanent stormwater retention facility. The majority of the excavation for Phase 1 at the site was completed by Caltrans during the construction of the State Highway 65 Bypass project, resulting in a significant cost savings to the City. Phase 1 of the Lakeview Farms retention facility includes the construction of an outfall channel, replacement of the topsoil shaped per the USACE Permits, weir construction, pump headworks, pump sump and wet well, discharge piping, a culvert in Waltz Road to the pump station, and mitigation plan.

Other Alternatives Considered (including No Action):

Compliance is required per a settlement agreement reached between the City of Lincoln and Sutter County.

Cost Estimate:

The estimated cost to complete this phase of the project is \$9,664,250.

Cost Benefit:

Reduces the potential impact by development at known flooding areas downstream of the City in Sutter County and the Cross Canal areas.

Dr-4E Credit for Reclamation Storage

Issue/Background Statement:

As described in Dr-4D, the 357 acre foot stormwater retention facility constructed by Del Webb adjacent to the City's WWTRF will be converted to reclaimed water storage once the Lakeview Farms site is operational. The changed use of this site will require an acquisition by the Wastewater PFE from the Drainage PFE.

Other Alternatives Considered (including No Action):

None.

Cost Estimate:

The Drainage PFE credits earned by Del Webb for the construction of the retention facility was \$2,775,238. The Drainage PFE recognizes this amount as a reimbursement from the Wastewater PFE program.

Cost Benefit:

The Lakeview Farms site will better serve the City as a retention facility and the constructed retention facility at the WWTRF will increase the efficiency of the reclaimed water use program.

Dr-7A Stream restoration projects: Auburn Ravine

Issue/Background Statement:

Auburn Ravine, being one of the three major watercourses in the city has a defined streambed that may have been altered by improper encroachment into the floodplain, changes to the sediment loading conditions or acts of nature resulting in changes to the flow regimes. The continuing development adjacent to the stream has brought about improvements both good and bad for the stream and its ecosystem. This task will analyze and recommend specific areas of improvement. Downstream of SR-193, a City water pipe crosses underneath Auburn Ravine and the 2005 storm event exposed a portion of this water line. The potential for damage to this water line exists from erosion, sedimentation and debris flow in Auburn Ravine. Protection of this facility will be incorporated into this project.

Other Alternatives Considered (including No Action):

Leaving the streambed unrepaired results in erosion potential, and the potential of additional deposition downstream of the City, which reduces conveyance capacity.

Cost Estimate:

The cost estimate is \$888,000 and the City will continue to research grant opportunities that would allow these funds to be leveraged into a larger project.

Cost Benefit:

Creek repaired to full section will carry maximum flow and transports sediment efficiently.

Nexus:

New development increases runoff and increases the impact of water flow on creek banks. Creek bank erosion also has a more significant impact on the City with more development including infrastructure that is affected by erosion.

Dr-7B Streambed Restoration Projects: Markham Ravine

Issue/Background Statement:

Detailed mapping and analysis will be performed for the Markham Ravine watershed. The existing streambed of Markham Ravine must be evaluated to determine what is necessary to restore the creek section to optimum capacity for flow of water and sediment transport. Project improvements include new culverts at Gladding Road and Markham Ravine, raised roadway elevations at the north/south stretch of Gladding Road and local storm drainage improvements for the streets.

Other Alternatives Considered (including No Action):

Changes in the sediment loading of this system could reduce the storage capacity of the system and result in significant increases to peak flow rates and flooding potential. Restoring a naturally functioning creek through the upper corridor such that there is a low flow channel and adjacent floodplain, establishes grade control for the creek invert and reduces potential flooding.

Cost Estimate:

The cost estimate is \$2,790,801 and the City will continue to research grant opportunities that would allow these funds to be leveraged into a larger project.

Cost Benefit:

Precise definition of 100 years flood allows for construction to be set at required criteria. Verification of base flood data will help to determine if any flood protection deficiencies exist in this system.

Nexus:

New development increases runoff and increases the impact of water flow and sedimentation on creeks. Loss of creek capacity due to sedimentation will have a more significant impact on the City with more development. Natural creek restoration will decrease sedimentation caused by new development.

Dr-20 Lakeview Farms Phase 2 - 1800 Acre feet

Issue/Background Statement:

Phase 2 of the Lakeview Farms retention facility would provide adequate stormwater retention facilities for the City at build-out of the General Plan. Improvements include the excavation of 1.5 million cubic yards of soil, replacement of the topsoil with shaping per USACE permits, weir construction and hardening, pump station improvements, and downstream channel improvements.

Other Alternatives Considered (including No Action):

Compliance is required per a settlement agreement reached between the City of Lincoln and Sutter County.

Cost Estimate:

The estimated cost to complete this phase of the project is \$16,936,000.

Cost Benefit:

Reduces the potential impact by development at known flooding areas downstream of the City in Sutter County and the Cross Canal areas.

Dn-1 Markham Ravine R.R. / HWY Crossing

Issue/Background Statement:

Modification of the existing SR-65 crossing at Markham Ravine will be necessary to provide 100-year protection at the structure.

Other Alternatives Considered (including No Action):

No action.

Cost Estimate:

\$522,077.

Cost Benefit:

The main benefit would be the safety and welfare of the citizens of the City of Lincoln. Lincoln Boulevard north of Lincoln, is one of three entry and exit points to the downtown area of the City. All three are projected to flood in the 100-year event, which results in isolation of the downtown areas.

Nexus:

New development increases runoff and increases the impact of water flow on culverts. Culvert capacity to handle increased flow from new development is more important to the City since more development may be impacted from the possible flooding.

Dn-2 "O" Street Drainage Improvements

Issue/Background Statement:

Modifications to the south tributary of Markham Ravine channel as it meanders through the City will be necessary to reduce flooding potential in the adjacent subdivisions. We are recommending that the invert be lowered to provide additional capacity to reduce flood elevations by 0 to 3 feet.

Other Alternatives Considered (including No Action):

No Action.

Cost Estimate:

\$629,870.

Cost Benefit:

An analysis of the existing storm drainage systems in the area shows that there is a potential of structural flooding and roadway flooding in a 100-year event.

Nexus:

New development increases runoff and increases the impact of water flow through the City. Flooding also has a more significant impact on the City with more development.

Dn-3 7th Street Drainage Improvements

Issue/Background Statement:

Additional storm drainage trunk is planned for 7th street to extend storm drainage service along this corridor and to relieve other existing systems which ultimately pick up these drainage areas. Significant surface flooding is known to occur in the area. The proposed system would bring the storm drainage protection to City Standards.

Other Alternatives Considered (including No Action):

No Action

Cost Estimate:

\$1,188,311.

Cost Benefit:

Many of the roadways along this corridor flood during normal rainfall events, and access to the High school and residences is restricted.

Nexus:

New development increases runoff and increases the impact of water flow through the City. Flooding also has a more significant impact on the City with more development.

Ds-20 Village 1 – Ingram Slough Dam

Issue/Background Statement:

The Village 1 Infrastructure Financing Plan includes the construction improvements to the berm located within the Village 1 project. Improvements are necessary to address potential flooding issues downstream into the Twelve Bridges and Lincoln Crossing developments.

Other Alternatives Considered (including No Action):

Improvements are necessary to address potential flooding impacts.

Cost Estimate:

The estimated cost to complete the project is \$1,332,500.

Cost Benefit:

Reduces the potential impact of flooding areas downstream into the Twelve Bridges and Lincoln Crossing developments.

ECONOMIC DEVELOPMENT STRATEGY

Nov. 1st Workshop Council we reviewed the General Plan section for Economic Development

Inquiry was made as to the most recent update for the Economic Development Strategic Action Plan was.

It was stated that one had been given at the Oct. 25th Council meeting

I reviewed the minutes and found no text for the verbal report and no written report was provided. I would ask for Council consensus for the Council to receive a written report whenever there is an EDSAP update, because what is measured gets done and it is important that we can see forward movement and completion of milestones.

I reviewed the video tape of the meeting and found the report to be somewhat concise and the only reference to the EDSAP was that the EDC would be prioritizing the document at a December Retreat of the EDC.

In the ED section of the General Plan under Implementation Measure #7 there are specific words used (target, focus, attract) which speak very much

to ACTION. It also listed who is responsible (City Council, Community (EDC), and Development Dept.

I was provided a section of the Chabin report, “Industrial and Commercial Market and Target Industries” which delineates the companies Lincoln should be focused on. In that document the key findings where: City’s working relationships with retail, office, and industrial brokers needs to be strengthened, there continues to be perception that the City is unfriendly to business, City needs tools and materials to support effective marketing, and leverage activities with region partners. These are some of areas we should see that progress is being made.

On more than one occasion I have been reminded that the City’s Economic Development Dept. is a party of one and I certainly understand that. At this point I would say let’s take a lemon and make lemonade from the situation. It has been said the primary role of the City Council is to set policy. As you know I have suggested in the past that we have a greater role to play in seeing projects come to fruition. The National League of Cities has prepared a document that outlines the role of local elected

officials in economic development. I have given a full copy of the document to Gwen and would like Council consensus to have it placed on the City's webpage for ED. The public needs to see what can be done to effectuate progress.

When we have our retreat in January I hope we will spend some time on this very important matter, because without a robust ED we will continue to be challenged to augment Public Safety. It has come to my attention that the Charter the City Council gave to the EDC does not provide a mechanism for the work called out in the document to be accomplished. There needs to be a short list of actionable items to align with the City's score card for EDC.

THE ROLE OF LOCAL ELECTED OFFICIALS IN ECONOMIC DEVELOPMENT

10 Things You Should Know



INTERNATIONAL
ECONOMIC DEVELOPMENT
COUNCIL



THE ROLE OF LOCAL ELECTED OFFICIALS IN ECONOMIC DEVELOPMENT

10 Things You Should Know

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Director

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National League of Cities

Katie Seeger

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Finance and Economic Development Program
National League of Cities



INTERNATIONAL
ECONOMIC DEVELOPMENT
COUNCIL



The Role of Local Elected Officials in Economic Development: 10 Things you Should Know was the result of a partnership between the National League of Cities Center for Research and Innovation and the International Economic Development Council (IEDC). IEDC staff were instrumental in facilitating a series of input sessions with economic development officials during their conferences in October 2009 and February 2010. IEDC staff also reviewed the guide and provided constructive feedback. NLC also recognizes the direct input and guidance provided by members of IEDC, members of NLC's CityFutures Panel on Community and Regional Development, and other local officials.

About the National League of Cities

The National League of Cities is the nation's oldest and largest organization devoted to strengthening and promoting cities as centers of opportunity, leadership and governance. NLC is a resource and advocate for more than 1,600 member cities and the 49 state municipal leagues, representing 19,000 cities and towns and more than 218 million Americans.

Through its **Center for Research and Innovation**, NLC provides research and analysis on key topics and trends important to cities, creative solutions to improve quality of life in communities, inspiration and ideas for local officials to use in tackling tough issues, and opportunities for city leaders to connect with peers, share experiences, and learn about innovative approaches in cities.

About the International Economic Development Council

The International Economic Development Council (IEDC) is the premier membership organization dedicated to helping economic development professionals create high-quality jobs, develop vibrant communities and improve the quality of life in their regions. Serving more than 4,600 members, IEDC represents the largest network of economic development professionals in the world. IEDC provides a diverse range of services, including conferences, certification, professional development, publications, research, advisory services and legislative tracking.

About the Authors

Christiana McFarland is the director of the Finance and Economic Development Program in the Center for Research and Innovation at the National League of Cities. Katie Seeger is senior associate in the Finance and Economic Development Program. Caitlin Geary, finance and economic development fellow, also contributed to the guide.

William Woodwell, editorial consultant, and Lara Malakoff, NLC senior program associate for outreach, provided editorial assistance, and Alexander Clarke, NLC manager of creative design and production, designed and managed the production of the report.

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Introduction

Economic development is the process of building strong, adaptive economies. Strategies driven by local assets and realities, a diverse industry base and a commitment to equality of opportunity and sustainable practices have emerged as those that will ensure a strong foundation for long-term stability and growth. Even within the parameters of these principles, what constitutes success in economic development and the specific strategies to accomplish it will look different from place to place. Despite these differences, leadership is consistently identified as a critical factor in effective economic development.

Dedicated leadership is needed to raise awareness, help develop and communicate a common vision, and motivate stakeholders into action. Although leadership can come from many places within the community, local elected officials are particularly well-positioned to take on this role. The political influence of elected leadership is critical to helping communities stay the course toward a vibrant economic future. From the bully pulpit to the design and coordination of public policies, mayors and councilmembers have opportunities every day to effect change and promote a strategic vision of economic growth for their community.

The goal of this guide is not to provide a one-size-fits-all solution to economic development or even to offer an Economic Development 101. Nor does this guide contend that elected officials should be economic development experts. The goal is instead to identify fundamental ways elected officials can become informed and strategic decision-makers who can connect the policy “dots,” be effective communicators and take a leadership role in economic development. The guide is based on the premise that elected officials can and should actively participate in and lead long-term development strategies that make sense for their community.

The format of the guide is a “top 10 list” of things elected officials should know about economic development in order to be effective leaders. These include:

1. **Your local economic strengths and weaknesses.** A stronger understanding of your community’s economic profile will help you create a realistic vision and strategies for economic development.
2. **Your community’s place in the broader regional economy.** With a firmer grasp of how your community fits into the broader region, you’re better prepared to work with other jurisdictions to share responsibility for regional economic success.
3. **Your community’s economic development vision and goals.** Local elected officials can play a key role in building consensus for a vision and goals that provide clear direction for local economic development.
4. **Your community’s strategy to attain its goals.** A strategic approach means linking economic development goals to specific activities, allocating a budget and staff to these activities and evaluating performance based on measurable outcomes.
5. **Connections between economic development and other city policies.** When crafting economic development policies, it is essential to consider how other city policies (e.g., transportation or housing) affect your economic development goals.

6. **Your regulatory environment.** Your community's regulatory process should allow for timely, reliable and transparent resolution of issues facing businesses, while still remaining true to your long-term economic development vision.
7. **Your local economic development stakeholders and partners.** Local officials should think strategically on a project-by-project basis about who needs to be involved, the resources they bring to the table, and what it will take to get them engaged.
8. **The needs of your local business community.** Local officials can help create an environment that supports the growth and expansion of local businesses, primarily by opening lines of communication.
9. **Your community's economic development message.** You will want a clear, accurate and compelling message that reflects your local vision and that helps ensure broad support for economic development projects undertaken by the city and its partners.
10. **Your economic development staff.** Local elected officials will be more effective in leading economic development activities to the extent that they forge strong relationships with staff members who work on these issues on a daily basis.

1. Your Local Economic Strengths and Weaknesses

Your community's strengths and weaknesses, such as quality-of-life amenities, infrastructure and work-force skills, determine the potential of your local economy to support economic growth. This economic profile lays the foundation for creating a realistic vision and strategic direction for economic success that is unique to your community. Information about your local economy can also help engage and educate constituents and build community support for economic development decisions.

ASSESSING YOUR LOCAL ECONOMY

IMPORTANT FACTORS	KEY INDICATORS
Economic conditions	Unemployment, types and sizes of firms/industries, wages, income, new business starts, retail sales, housing prices, types of imports and exports, number of businesses closed
Population characteristics	Population size and growth, age, education level
Labor force characteristics	Labor force participation, occupations, skills, commuter characteristics, productivity
Physical conditions	Land use, zoning, land values, condition of buildings, vacancy rates, building activity, parking facilities, condition and capacity of infrastructure, air and water quality
Business climate	Community attitudes, labor relations, business taxes and regulations, level and quality of municipal services, workforce training, access to and cost of capital, public and private infrastructure
Knowledge-based resources	Federal labs, science and research parks, industry incubators, colleges and universities, technical training schools
Quality of life	Housing availability, public services, education system, crime rate, cultural and recreational activities, parks and other natural amenities

Source: *Economic Development Strategic Planning*. International Economic Development Council, Washington, D.C., 2006, pp. 44-48.

With the assistance of your economic development staff and input from stakeholders, you can identify factors within and outside of the control of local government that impact and shape your local economy. Identifying strengths and opportunities is crucial, but local officials also should pay attention to weaknesses and potential threats.

For example, what industries in your community and region are growing or struggling? What are the skills of your workforce, and are they sufficient to meet the needs of business? What barriers and sup-

port services exist for local entrepreneurs and small businesses? Is the local and regional housing stock diverse enough to provide for a wide range of housing needs?

All of these factors should be understood in comparison to other communities and in the context of broader economic trends. As a result of this process, you will have a stronger sense of your unique local assets, as well as what you can and should be doing to build on strengths and mitigate weaknesses.

Taking Action, Asking Questions

- What unique strengths can your community build on for economic development and growth?
- What weaknesses pose a barrier to economic development? To what extent can you mitigate these weaknesses – and how?
- How do your community's strengths and weaknesses compare to those in other communities?
- How are economic conditions changing in your city and region?

San Buenaventura, Calif. (Ventura) (population 109,000)

After many decades of slow economic growth, the traditionally blue-collar City of San Buenaventura began to realize that its anti-business reputation had actually been undermining its economic prosperity. The city had very few middle class jobs and a limited industrial base and service sector. Moreover, many high-tech firms were heavily concentrated in much of the city's surrounding area and seemed to bypass Ventura when making location decisions.

Through an analysis of the community's strengths and weaknesses, city leaders in Ventura determined that the city's location between two high-tech hubs, its pool of entrepreneurs and venture capitalists and significant quality of life amenities placed them in a unique position to expand high growth technology sectors. The city developed and pursued a strategic plan for economic development, including new activities to increase the local tax base, diversify the economy and create high value, high wage jobs.

The city created a self-sustaining fund to support the new plan, specifically growth of businesses from within the community, by using a \$5 million loan payoff from the Redevelopment Agency. The Jobs Investment Fund (JIF) provides "mezzanine capital" to expansion projects or venture capital to new projects as either loans or direct investments. JIF, managed by a private investment partner, allows for a higher return potential to the city than is traditionally available with a standard investment portfolio.

Constituents have expressed concern that the city has too great a risk exposure in these investments. "There are requests that we redirect the money from the fund back to general government operations each time we face additional budget cuts, but due to political will and improved communications with our constituents, so far we have been able to maintain funding," said Councilmember Neal Andrews. City leaders have made a special effort to bring community opinion leaders into a position where they understand what JIF is about and why it's important.

JIF has allowed the city to engage in a number of business development activities, including capital raising conferences, entrepreneurship events and a business incubator. As of January 2010, 10 firms have located in the incubator, and in 2008, Forbes magazine ranked Ventura number 68 on the "Small Business list of 100 best places to live and launch a business."

Contact:

City of Ventura
Department of Economic Development
Phone: (805) 677-3935

2. Your Community's Place In The Broader Regional Economy

Understanding your local economy also means knowing how your community fits into the broader region. Although increased competition for jobs, tax base and private investment can put political pressure on elected officials to go toe-to-toe with neighboring jurisdictions, the reality is that local economic success depends on regional economic success.

This is particularly true in the context of the global economy, where economic competition may not be with your neighbor, but with a city in China, India or Ireland. Firms engaged in global economic activity rely on a breadth of resources available in a region, including workers, transportation, housing, and amenities. In nearly all cases, one community does not have full capacity needed to support these activities. Cities that focus on competition within the region, instead of collaborating for economic development, are placing their economic future at risk.

With a firmer grasp of your community's place in the region, you're better prepared to work with other jurisdictions to share responsibility for promoting regional economic success. Cities in the Denver region, for example, work together to draw businesses and other economic activity to the region while agreeing not to compete or offer incentives to firms to locate in their specific communities. Similarly, many cities work together on regional marketing efforts, typically via participation in a regional council. These collaborative efforts attract firms, investment, and employment that benefit the entire region.

Participating in regional activities may present some political difficulties if the local economic benefits are not well understood by your constituents. Local elected officials should be prepared with the facts about how regional economic success translates into improved employment opportunities, tax base, or amenities for your city and the people who live there. Local officials can work with their staff to craft a clear, accurate message about their involvement in regional activities, and communicate this message to community through the media, neighborhood meetings or other public venues. It can serve as a starting point for a community dialogue about the importance of regional collaboration to local success.

"Too many local governments still act as if they have the luxury of merely competing with each other for tax base, especially within their region. But economically this is a sideshow or a delusion. The real economic competition is global and competing effectively requires regional collaboration."

William Barnes, *The Economic Development Game Has Changed*, Nation's Cities Weekly, 1/11/2010

Taking Action, Asking Questions

- How do you define your economic region?
- How does the economic strength of your city depend on what happens in other cities and towns in the region? How does regional economic activity provide direct or indirect benefits to your community?
- What assets does your community contribute to the regional economy (e.g., workers, housing, amenities, transportation)?
- What regional organizations, partnerships and/or activities already exist? To what extent is your community involved?

3. Your Community's Economic Development Vision and Goals

A primary challenge in the practice of economic development is choosing among many competing priorities and various activities. A clear economic vision and goals are needed to provide a framework for strategically assessing and coordinating these efforts. The vision stems from the community's values, its collective sense of local economic strengths and weaknesses, and consensus on a desired future. Goals are more tangible expressions of the vision and provide specific direction for actions.

For example, the City of Albuquerque, New Mexico's economic development initiative "thrive!ABQ" identifies the city's economic vision as a city with a vibrant business climate that's accessible, user-friendly and welcoming to all. The three primary goals of "thrive!ABQ" are:

- Albuquerque First: Retain existing businesses and industries by fostering partnerships with local businesses and increasing spending in the community.
- Albuquerque Easy: Remove barriers to conducting business within the city.
- Albuquerque Recruits: Make the city an attractive place for businesses to locate.

According to the American Planning Association's *Economic Development Toolbox* (2006), a sound economic vision and goals should:

1. Balance what the jurisdiction would like to achieve with what resources and public support the jurisdiction can realistically expect to muster in support of that vision.
2. Be consistent with the role of the jurisdiction's economy in the larger regional and state economies.
3. Be understandable to citizens without technical training or experience in economic development.
4. Be produced in a way that makes it possible to incorporate it in the jurisdiction's comprehensive plan.

If your city already has an economic development vision, make sure your policy decisions reflect the principles in the vision. In cities that do not have an economic vision, local elected officials can help initiate a community visioning effort. A well-designed visioning process will surface an array of ideas, opinions and objectives from a diverse group of stakeholders. An important role for elected officials is to help bring people to consensus and agreement on a common purpose.

"There are many possible economic futures for any given jurisdiction, there are some impossible ones as well. The challenge is to decide on a future that is not only desirable, but also possible given the factors that constrain it."

Terry Moore, Stuart Meck, and James Ebenhoeh. *An Economic Development Toolbox*. American Planning Association, Washington, D.C. October 2006, p. 34

Taking Action, Asking Questions

- Does your community have a clearly stated vision and goals for economic development? If so, what are they?
- Does the vision reflect the community's values as well as its strengths and weaknesses?
- Do your constituents and key stakeholders understand and agree upon the community's vision and goals?
- To what extent do local government policies support the vision and goals?

Mission, Kan. (population 9,727)

Mission, a community less than three square miles in area, was at a crossroads when many large parcels of land became available for redevelopment. In response, the city began a planning process that involved all facets of the community, including residents, businesses and shoppers, to create a vision that would serve as the framework for future development. The vision, which ultimately called for more compact, walkable, and sustainable development, was challenged when Mission was offered a lucrative deal by a big-box developer.

With a strong commitment to the vision, Mission denied the big-box store and has accepted an offer for a new mall from a developer who has embraced the city's vision for a vibrant, pedestrian-friendly, mixed-use destination. Although the developer typically works on retail projects only, his collaboration with the city and understanding of the community vision has led him to include residential, hotel, office and entertainment as potential project components.

The city's resolve to stick with its vision also resulted in overwhelming community support for the project. Instead of Not in My Back Yard opposition, city officials received acclamation from those attending its Planning and Zoning hearings. Among the most common questions the city received from residents: "When will the project be complete?"

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City of Mission

Department of Community Development

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4. Your Community's Strategy To Attain Its Goals

Once the economic development vision and goals are defined, it is important that they not be shelved, but that they guide and determine your community's economic development strategy. If the community has been involved in the process and believes in the vision and goals, residents will hold political leadership accountable for putting them into practice. Strategic implementation of the economic development vision involves linking economic development goals to specific activities, allocating a budget and staff to these activities, and evaluating performance based on specific, measurable, agreed-upon outcomes.

There are many local activities that can be used to accomplish your city's long-term economic vision. The types of economic development policies and tools pursued by your community will depend on those permitted by your state, as well as how your local government perceives its role in stimulating private sector economic activity.

The traditional local government role in economic development is to facilitate economic activity by offsetting the cost of doing business in your community (in terms of time, opportunity and money). Strategies include land assembly, modifying the permitting process and providing job training. More entrepreneurial roles, as well as strategies that more directly address the demand for local products, may include seeding and investing in local small businesses, matching gaps in supplier/buyer linkages and international trade promotion. Local elected officials can work with city staff, businesses and other stakeholders in the community to educate themselves about the types of programs and tools that are available to them and to decide which economic development role is best for their city.

You can also look to "best practices" in other communities; however, it is important to remember that economic development activities that work in one place will not necessarily work in another. Following economic development fads or strictly replicating another city's approach without putting it in the context of your community is a recipe for failure. Instead, elected officials can learn how and why another city was successful and adapt those practices to local realities.

Elected officials should also work with their staff to determine a set of expected outcomes, the necessary level of resources (staff and budget) needed to achieve these outcomes and performance metrics to evaluate and measure them. In the context of short-term political cycles, it may be tempting to stray from the strategy and only consider economic development in terms of traditional, more tangible successes, such as attracting a new, large employer. For this reason, it is important that elected officials and staff agree upon, are committed to and accurately measure even *incremental* economic achievements. This will allow political leaders to demonstrate success and champion all various ways the community is supporting economic activity.

Strategic implementation of economic development, from selecting activities that support the vision to accurately measuring progress, enables local governments to be more responsive in an increasingly complex and uncertain economic environment. It allows the community, staff and elected officials to be part of a "continuum" of leadership and to make more deliberate progress toward long-term economic success.

Taking Action, Asking Questions

- How do your goals drive everyday actions to develop and grow your local economy? Can you develop better strategies, if needed, which make sense for your community?
- What is the general orientation of your local government toward supporting private sector economic activity? What tools is your city willing to and able to use?
- Is your city's budget and staffing aligned with its strategies for economic development?
- How will you measure and evaluate your city's economic development efforts over time?
- What can you do to celebrate incremental successes?

Littleton, Colo. (population 43,055)

In 1987, the City of Littleton pioneered an entrepreneurial alternative to the traditional economic development practice of recruiting industries. The "economic gardening" program, developed in conjunction with the Center for the New West, is an effort to grow local jobs through entrepreneurial activity.

The approach is based on research that indicates the great majority of all new jobs in any local economy are produced by small, local businesses already in the community. According to Chris Gibbons, Littleton's director of business/industry, an entrepreneurial approach to economic development has several advantages over attraction strategies. First, the cost per job is much less than the \$250,000 to \$300,000 incentives typical in major relocations. Second, the investment is in the community and its infrastructure; should a business choose to leave, it does not take that investment with it. Third, it is a healthier approach in that a community's future is no longer tied to the whims of an out of state company. Its future is entirely a function of its own efforts and investments.

Littleton's economic strategy focuses on creating a nurturing environment for entrepreneurs and "second-stage" companies, those with 10-99 employees and/or \$750,000-\$50 million in receipts. In a typical engagement, the city's Economic Gardening team will assist a company with core strategy, market analysis, competitor intelligence, and other priority tasks. Since the start of the program, Littleton's job base has grown from 15,000 to 30,000, the retail sales tax has tripled from \$6 million to \$21 million, and the population has grown by 23 percent.

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City of Littleton
Business/Industry Affairs
Phone: (303) 795-3749

5. Connections Between Economic Development and Other City Policies

It would be nearly impossible to list all of the various ways in which local government policies interact and overlap. When crafting economic development policies, it is essential to consider how other city policies support or discourage your economic development goals. For example, are your transportation initiatives supporting local retail? Are your local workforce training programs aligned with your sustainability plans? Is the regional housing stock adequate to meet the needs of workers in your community? By thinking about policies holistically, you can avoid detrimental policy interactions and create an environment for different policies to support and enhance each other.

Policy integration has become even more important over the past 30 years as the drivers of economic growth have broadened significantly. Today, the scope of economic development and the interests and needs of the business community extend well beyond market access and transportation networks. Social and professional networks, educational institutions, quality-of-life amenities, talent and workforce skills and housing are important assets that contribute to your community's economic profile. Additionally, there is increased recognition that improvements in economic equity and the natural environment are critically important to a strong local economy.

For example, the City of Portland, Ore., has created a Sustainable City Partnership to foster a collaborative, citywide effort to integrate sustainable practices and resource efficiency into municipal operations and to strengthen existing policies and efforts. A primary partnership role for city officials and staff is to develop connections between environmental quality and economic vitality. The city has encouraged sustainable business practices and has leveraged sustainability as a key economic sector.

One strategy to ensure that all of the various sources of economic growth and the key elements impacting economic development are coordinated is to develop your economic development activities in conjunction with your community's comprehensive planning process. Some communities have formalized this process through implementation of an Economic Prosperity Element (page 14).

Taking Action, Asking Questions

- How do other city policies — in areas from transportation and housing to public safety — affect your goals for economic development?
- To what extent does your city need to change existing policies so they are aligned with and support the economic development vision and goals?
- How often do various city departments communicate? To what extent is there a shared understanding of and commitment to successful economic development across city government?
- Are your city's economic development strategies and goals reflected in the comprehensive plan? Can you add an Economic Prosperity Element to the plan?

Economic Prosperity Element

by William Anderson, Director, City Planning & Community Investment Department, City of San Diego (*American Planning Association Economic Development Blog* 5/17/2010)

Many cities and counties are adding Economic Prosperity or similar elements to their General Plans. These elements help strengthen the link between a jurisdiction's comprehensive plan and economic development. While most factors that influence economic development are beyond a local area's control, such as macro-economic trends, international competition, interest rates, financial markets, local jurisdictions do have control of factors that can make them more or less competitive in the region, nation, or world.

Some of these local factors are traditionally addressed in General Plans, such as land use capacity for industries and targeted sectors, infrastructure efficiency and cost, quality-of-life, housing affordability for the workforce, and environmental quality. Other local factors are not as directly related to land use policies, such as workforce training, education, and access to capital. These factors may be the purview of other organizations and agencies, but are also critical.

An Economic Prosperity Element, especially one tied to a regional economic development strategy, can bridge and coordinate these factors and take the General Plan beyond the role of just land use policy. It can also serve as the element that connects a region's economic development strategy focused on the needs of export-oriented base sectors, to the opportunities for community-level economic development.

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6. Your Regulatory Environment

Your regulatory environment directly impacts the ease of doing business in your city. For business leaders, time is money; they want to know that the regulatory process provides for timely, reliable and transparent resolution of key issues. If your city's regulatory policies are riddled with delays, confusing and redundant steps and multiple approval processes, a prospective business may very well choose to locate or expand in another community.

Local officials can improve the regulatory environment for businesses by ensuring that the development review process and other policies are streamlined and transparent. The key to success is ensuring consistency and clarity about expectations, timelines, regulations, and costs. This will alleviate much of the uncertainty involved in economic development projects by allowing businesses to accurately anticipate the timing of the process and to build their plans accordingly. In addition, a better regulatory environment can promote information-sharing and better communication with local businesses so you can work together to identify potential challenges or problems.

As a local elected official, your first step is to ensure that you have an understanding of the current regulatory system and where there may be problems. This will require you to gather input from the business community about their frustrations and experiences. Working with your local chamber of commerce or other local business organizations may be helpful in this process. To gain additional perspective, you may want to consider going through the process yourself, as if you were a developer or a new business. This will allow you to have firsthand knowledge of the time, costs, hassles and clarity of the process.

When examining your regulatory process, be mindful not to throw the good out with the bad. Not all development is good development, and it is important that your regulatory processes reflect your long-term economic development vision so you can safeguard against detrimental projects. The key for your city is to find a balance and remove unnecessary delays and hurdles, while still preserving the integrity of the community's economic development vision and goals.

Taking Action, Asking Questions

- Are your local agencies charged with regulatory processes attuned to the needs of businesses, particularly efficiency and transparency concerns?
- Are there one-stop approvals or other ways to expedite review processes?
- How long does it take to get a new development proposal in front of a local planning board?
- Do businesses have access to clear information about local regulations from one source?
- Is there a designated city staff person who helps facilitate the process to ensure that things go smoothly?

7. Your Local Economic Development Stakeholders and Partners

A group of diverse stakeholders within and outside local government contribute to economic development. These include both large and small businesses, nonprofit organizations, workforce and training organizations, universities, department staff and many others. Economic development partnerships will likely change depending on the activity, so it is important to think strategically on a project-by-project basis about who needs to be involved and the resources they bring to the table.

Collaborative partnerships are especially important given the increased complexity and diversity of interests in economic development. Harnessing the breadth of resources, knowledge, leadership, and skills of stakeholders that may not typically interact is essential for effective implementation of your city's economic development strategies. By facilitating broader and deeper interaction among local government, business, the community, and economic development activities, local elected officials can ensure that policy decisions will be in tune with all of the other work that is happening in the community to advance the city's economic development goals.

Your local government may not always be the lead organization for an economic development project. Sometimes, the chamber of commerce might lead the way. In other instances, it might be a different community organization or business leader. But even if the city is just one stakeholder among many, local elected officials can make themselves available to help bring the right people and organizations to the table. Important roles for municipal leaders include: reaching out to the various parties; working to break down communication barriers; helping to facilitate consensus; and ultimately, coordinating and leveraging action.

Taking Action, Asking Questions

- Who are the key stakeholders (individuals, organizations, businesses, city staff) that can help strengthen your city's local economic development efforts?
- To what extent are stakeholders already communicating and working together on these issues?
- What will it take to break down any barriers that exist among key stakeholders and to get them to do more collaborative work?
- What resources do various stakeholders bring to the table in terms of financial support, people, skills, contacts and more?

Garland, Texas (population 238,651)

A critical objective of the Garland Economic Development Partnership (GEDP), a collaboration of government, school and business leaders, is the retention of key businesses in the local community. A suburb of Dallas, Garland has been characterized as a major manufacturing city since the 1950s and is home to numerous Fortune 500 corporations such as Kraft Foods, General Dynamics and Raytheon.

In 2006, the city recognized the "Garland Top 100" businesses based on their tax value, number of employees and electric usage. The city estimates that the "Garland Top 100" represent 13 percent of the local tax base and employ 17 percent of the total workforce. City of Garland Mayor Ronald Jones and GEDP staff has visited nearly all of the top 100 manufacturing companies in Garland to hear their concerns and challenges directly.

According to Jones, these visits were intended to make sure that elected officials understand and recognize business needs, and that the businesses understand that the city appreciates they are part of our community. During the meetings, the mayor and GEDP staff discussed a variety of key issues, including workforce training needs, utility costs, and public safety. As a result, the city developed the Dallas County Manufacturers' Association in collaboration with Richland College to provide specialized workforce training.

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Garland Chamber of Commerce

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8. The Needs of Your Local Business Community

Local businesses are essential to a stable and diverse local economy. In recent years, many cities have shifted their primary economic development focus away from attracting large firms from outside the community to growing new businesses from within and helping existing businesses survive and thrive. Local officials can help create an environment that supports the growth and expansion of local businesses.

In the case of entrepreneurs and small businesses, many fail not for lack of ideas, but on planning and management. By allocating resources for entrepreneurial and new business support services, local governments can help these businesses overcome critical barriers to success. Such services include small business development centers, entrepreneurship training, market information, networking opportunities, marketing assistance, business incubators and even financing opportunities.

Running a business is a full-time job, and even if local services are available, business leaders may be unaware of the assistance available to them. Even more likely, they may not automatically view the city as a resource or an ally. By making the effort to reach out and communicate with your local business community, whether through your local chamber of commerce, organized events or visiting businesses individually, local officials can gather input to help improve local business policies and demonstrate that the community cares about the success of their business.

It is important for local elected officials to bring the same commitment and enthusiasm to existing business as they do to new business prospects. The city often creates incentives or other policy packages to attract new employers, and celebrates a new, large company with ribbon cuttings and stories in the local media. By similarly celebrating local business accomplishments, you can show the city's support, increase the business's profile and draw attention to economic development success stories that often go unnoticed.

Additionally, by publicly highlighting the achievements of your local companies, you will build your city's reputation as a business friendly community. This, in turn, may encourage outside businesses to take a second look at your community as a desirable location, while providing existing businesses with even more reasons to stay in your jurisdiction.

When making policy decisions focused on business retention and expansion, including small business and entrepreneurial development, it is important to remember that many local businesses need time to mature and grow. Although this form of business support may not deliver an overwhelming, immediate economic impact, the benefits of staying the course with your local businesses can provide greater long-term pay-offs. These include a more diversified, stable economy, a business community with stronger local ties and maybe even the next, great Fortune 500 company.

Taking Action, Asking Questions

- What does your local government do to find out the needs of your business community?
- Who in government regularly communicates with individual businesses and the business community at large? How does this happen?
- To what extent do you celebrate milestones achieved by existing businesses in your community?
- What support services does your city offer to entrepreneurs and small businesses? What more could you do?

New York (population 8,308,163)

New York City provides an example of a successful, city-led effort to directly link workforce development and economic development. In 2003, Mayor Michael Bloomberg eliminated the NYC Department of Employment and consolidated the city's adult workforce programs with the Department of Small Business Services (SBS). The resulting program provides employment and training services for individuals and seeks to meet specific workforce needs of local businesses.

Much of the program's success has been due to a dual customer approach — focusing on meeting the needs of job seekers, as well as local businesses. In fact, SBS has developed two distinct brands associated with both customers. Workforce 1 provides individuals with job placement, training and advancement services and NYC Business Solutions provides a suite of services to support local businesses, including employee recruitment services from the pool of screened job candidates from the Workforce 1 program.

The effort has shown real results in New York City. In 2003, prior to the consolidation of the two programs, the workforce system only achieved 500 job placements. In 2009 the workforce system achieved 25,000 placements.

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NYC Department of Small Business Services

Strategic Initiatives

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9. Your Community's Economic Development Message

Strong communications and a compelling message are vital to successful economic development and a primary responsibility for local elected officials. An economic development message that is based on your community's collective vision and is conveyed by all key stakeholders will establish a consistent community "brand" and competitive identity to the outside world.

Local elected officials can use public speeches, interviews and other communications to rally the community around their economic development message. In addition to publicly promoting the message, local elected officials can work with their staff to ensure that all economic development partners have the information that they need to support the message or to accurately convey the message to others. This may be data about the economic role they play in the community, or marketing materials that they can use to engage others outside the community. These small steps go a long way in generating a positive reputation of your community.

Sometimes, cities let politics and minor disagreements about the direction of economic development affect their city's public image. This can detrimentally impact the confidence investors have in your community as a place to do business. Developers, business owners and others want to be assured that their investment in your community will have broad support among local leaders, residents and key partners. If those who impact the success of a business or economic development project are not unified, the confidence of the investor will falter. Local elected officials can help manage internal disputes and ensure that all stakeholders remain committed to the message and the vision it conveys.

Taking Action, Asking Questions

- How do you currently communicate about your city's economic development activities? To what extent are you using speeches, media interviews and other forums to highlight an economic development vision and goals?
- Does your city have a clear and consistent message about economic development for the outside world?
- How do your city's communications efforts dovetail with what other organizations in the community (e.g., the chamber of commerce) are doing? Are there ways to enhance coordination on communication activities?

10. Your Economic Development Staff

As discussed throughout the guide, local elected officials have clear and specific roles to play in their cities' efforts to build a strong local economy. However, success in filling these roles often depends on the relationship between elected officials and staff members who work on economic development issues on a daily basis.

As a local elected official, you are often the public face and the cheerleader for your city on economic development. When you are giving a speech, talking to a local business or discussing a new project with constituents, you must be prepared with the facts or run the risk of seeming uninformed and out of touch.

Staying up to date requires open and regular communications with and trust in your city's economic development staff. Your relationship with staff will enable you to gain a better understanding of the economic position of your city, changing local and regional conditions and your city's economic development plans and priorities. You will be better able to articulate economic goals to constituents and the media and make more informed policy decisions based on the most current information. This is especially important in the current economy, as city resources are scarcer and businesses and citizens alike are looking for informed leadership.

Local officials should begin building a strong relationship with economic development staff at the beginning of a political term or new project. Economic development is a complex topic; most newly elected officials may not have an in-depth understanding of the current economic policies or the city's long-term vision and strategy. By forging a relationship early on, local officials can come up to speed more quickly and be able to make better policy decisions in the long run.

It's also important to consider what expertise and knowledge you bring to the relationship that city staff may not have. Most elected officials come to office with a professional background in an area other than local government, such as banking, small business or healthcare. This can make you uniquely qualified to represent the city to important economic interests. With open communication, your city's economic development staff can become more aware of your skills and seek opportunities to use them.

Taking Action, Asking Questions

- How often do you talk to the key economic development staff in your city?
- Do you get regular updates, or “cheat sheets,” about the issues, trends and successes of economic development in your city?
- What are your expectations about economic development? Have you discussed this with the economic development staff?
- What economic development issues or practices could you learn more about?

Conclusion

As an elected official, you make decisions every day that impact the future of your community. It is of critical importance that your decisions and actions support your community's vision and do not work at cross purposes with existing efforts. This is particularly true in today's rapidly changing economic environment.

You can use this guide to initiate conversations — or ask questions — with key players within your community. The first step will most likely be to initiate conversations with your economic development staff about how to best use your skills and political capital to support a strategic economic direction. Even if you are already engaged in economic development, this guide can serve as a reminder of all the leadership roles needed for economic success. It can also help you identify how your economic development role should vary over time to support the changing needs of your community and economic development stakeholders.

Your city may have all the right assets, partners and tools, but may never realize its full potential without a leader to bring all the pieces together. You have the power and the ability to do what's needed to advance the cause of successful economic development for your city.



14C

CITY COUNCIL REPORT

MEETING DATE: December 13, 2016

SUBJECT: Policy Direction Regarding the Development of City-owned Property (former Creekside Village project)

SUBMITTED BY: Jim Bermudez, Development Services Manager

DEPARTMENT: Community Development

STRATEGIC RELEVANCE: Economic Development / Infrastructure

STAFF RECOMMENDATION:

Staff is seeking City Council input and policy direction regarding the disposition of City-owned property, located at First Street, adjacent to Fire Station #34 (former Creekside Village project – see attached vicinity map).

BACKGROUND/INTRODUCTION:

From 2006 until 2010, the City and the former Redevelopment Agency contemplated development of a 6.28-acre site known as the Creekside Village. The City initiated endeavor consisted of pre-development activity, project entitlement approvals, including Council support of the City owned property purchase and sale agreement and owner participation agreement with Mercy Properties California.

Ultimately, the developable area was scaled back from 6.28 acres to 4.92 acres consisting of twenty-three (23) residential lots intended to be developed as follows:

- Sixteen (16) units to be constructed under a mutual self-help housing project for low income persons and/or families; and
- Seven (7) units to be sold to qualified very-low income persons and/or families.

Due to the delay with the project, decline in economic conditions, including initial dialogue regarding the dissolution Redevelopment programs, project momentum slowed and left the project in flux while the City Successor Agency and State Department of Finance working through the required Long Range Property Management Plan.

Although development of the project did not occur, the entitlements are still valid and include: a Final Subdivision Map for twenty-three single-family units, an approved General Development Plan which provides the required setbacks, heights, etc., and an approved Specific Development Plan and Development Permit providing the design, architectural/site details, along with adoption of a Mitigated Negative Declaration.

ISSUE AT-A-GLANCE:

At the last November City Council meeting, the Council requested that a more robust policy discussion be held on disposition of this property, including when and why the City should or should not consider development of the 6.28-acre lot. The Council expressed

a desire to consider future opportunities of the site at this time, and what parameters and approach should be considered when contemplating disposition and development of the site.

This staff report is intended to provide background information and solicit policy level feedback from the Council regarding disposition of the site, whether another affordable/work force housing project is still desirable, and whether the City would like to proceed with marketing the property and consideration of fiscal concessions to incentivize development.

The Council may consider the following:

POLICY QUESTIONS:

1. Does Council have a desired timeline and what is the priority level moving forward with disposition of the site? Is the timeline a near term or long-term priority? Evaluation of this question is critical to establishing a course of action.
2. The site carries some value with the previous entitled project; does Council prefer to move forward with a development consistent with the previous design and/or project? Or, is there a desire to evaluate other development opportunities?
3. Does the Council wish to dispose of the property via a developer selection or through a Request for Proposal (RFP) process?
4. Does the Council desire to consider exploring a mutual self-help housing project vs. a conventional affordable housing partner?
5. Does the Council wish to consider modifications to the proposed entitlements that would contemplate rezoning the property at a higher density?
6. Is the Council willing to consider financial concessions such as conveyance of the property below market value, pre-development and entitlement processing at no cost, and fee waivers to spearhead development?
7. As an alternative to development of the site, would the Council consider selling the site and form a Housing Trust Fund with property sales proceeds, thereby establishing an in-lieu fee program for leveraging future affordable multifamily housing in other areas of the City?

ADDITIONAL & BACKGROUND INFORMATION:

The following information spans various topics that are intended to assist with the policy questions provided by staff.

Current Site Interest

Over the past couple of months there has been development interest in the site. Staff has been contacted by two entities, the Steelheart Company and USA Properties Fund, both seeking an interest with two different design and development concepts.

The Steelheart Company is seeking an opportunity to construct workforce housing consisting of a small prototype house while leveraging the design to start a possible

manufacturing facility in the City. The design of the units fall under the "Tiny House" market, the main intent would be to build homes within a range of 200 to 1,200 square feet. Steelheart homes would be constructed with light gauge steel embedded in expanded Polystyrene Foam, then clad with materials inside and out that would not burn, and are impervious to mildew, mold and termites.

USA Properties is a private affordable housing developer, owner, and manager of housing communities. The company provides quality affordable family and senior communities to market-rate projects with contemporary amenities. USA Properties has built a strong reputation of designing and delivering award-winning communities worthy of institutional investment, local agency and public support / participation. USA Properties has expressed some interest in development of the site that would consist of a higher density residential product consisting of senior affordable living. Site design and development would likely consist of two-three story units.

There has been considerable time and expense already dedicated towards development of the site. The site carries previously approved Final Subdivision Map for twenty-three single-family units, and necessary planning regulatory approvals. In scenarios by current inquiries, the Steelheart Company and USA Properties would both require a deviation and departure from the approved Creekside Village project. In this case, reliance and utilization of the previous project approvals would be lost, both developments would require a re-start of pre-development review which would likely result in regulatory deviations necessary to see either project approved.

Site Entitlements

The Creekside Village Project is zoned Low Density Residential at 5.0 dwelling units per acre. Previously noted, current entitlements include a Final Map for twenty-three single-family units, an approved General Development Plan which provides the required setbacks, heights, etc., and an approved Specific Development Plan and Development Permit providing the design, architectural/site details of the proposal, along with adoption of a Mitigated Negative Declaration. It is important to recognize the previous approvals because if any changes are proposed, new entitlements would need to be reviewed by the Planning Commission and ultimately approved by the City Council.

Disposition of Real Property

Public agencies are required to follow procedures in accordance with the State law when considering disposition of real property and the City's Municipal Code has additional regulations. If the Council wishes to dispose of the property, we would need to ensure all laws have been complied with.

Self-Help Housing Program

A component of the previously approved Creekside Village was a self-help or sweat equity component. Per the City's agreement, Mercy Properties California was supposed to enter into a federal grant agreement with USDA/Rural Development. The agreement would bind Mercy to adhere to the Federal Mutual Self-Help Housing Technical Assistance Grant regulations. The agreement was never executed as the project stalled. However; the funding program still exists and provides grants to qualified organizations to help them carry out local self-help housing construction projects. Grant recipients supervise groups of very-low- and low-income individuals and families as they construct their own homes in rural areas. The group members provide most of the

construction labor on each other's homes, with technical assistance from the organization overseeing the project.

Request for Proposal

Should Council direct staff to proceed with a Request for Proposal, the Developer(s) would be responsible for obtaining all necessary entitlements or could rely on previously approved entitlements. The City would assist with the entitlement process to the maximum extent possible, recognizing that the ultimate decision-making will be with the Planning Commission and City Council. Staff would seek an Exclusive Right Negotiate with the developer under which the terms and conditions, including environmental review, will be determined.

The Developer(s) shall demonstrate an understanding of the City's goals and specific expertise in developing a high quality affordable development project. Developer must disclose financial capability to undertake the proposed development. A thorough narrative shall be provided regarding the development concept, including the developers' approaches to meeting a satisfactory design quality, and the developer's financial capacity to carry a project to completion.

Assuming the property would be conveyed in as-is condition, the developer would be responsible for obtaining all required approvals for their projects. However, the City will designate a project manager to work closely with the developer during the predevelopment process, including permitting and public review. The project manager will guide and coordinate with all City departments and seek all applicable City approvals.

Fee Concessions

The City has a current policy that allows the City Council to modify fee structures for development on a case-by-case basis assuming there is clear nexus that would warrant a fee adjustment. A component of the Creekside Village project included a sweat equity program that offsets individual resident costs. The previous project also relied on funding sources made available through the prior Redevelopment. In today's current market, Redevelopment funds are no longer available so most affordable housing developers rely on certain subsidies to address gap-funding shortfalls. This could be in the form of grant funds and/or tax credit opportunities for example. However, given the City's housing market and cost for land, including fees, affordable housing representatives have indicated that the City's market would require additional funding that could be picked up via subsidies, but the City would need to consider land dedication below market rate and fee discounts for infrastructure and service fees. Any public assistance from the City would likely trigger the payment of prevailing wages,

Housing Trust Fund

The purpose of an Affordable Housing Trust Fund would be to assist in the creation and preservation of affordable housing in the City for the benefit of low and moderate-income households. An alternative to development of the site could be the establishment of an in-lieu fee program for leveraging future affordable multifamily housing in other areas of the City. Potentially, "In-Lieu Fees" would be paid by a market rate developer in lieu of building affordable units within the development as a means to contribute to the Housing Trust Fund. The City is poised for considerable growth over the next 10-15 years with the approval of Village 1 and 7 and Village 5 early next year. The City has currently

grown to approximately one third (1/3) of its planned development population, based on the General Plan. The City currently meets its Regional Housing Needs Allocation requirement. However, as residential market rate development continues, the City could face a shortfall in the construction of multifamily market. In response to the need for affordable housing, the creation of a Housing Trust Fund could achieve progress toward a solution to this crisis. It should be noted that the success of a program such as this may be reliant on involvement of multiple entities, including the development community, nonprofit organizations and community foundations, and state and federal housing programs.

CONCLUSION:

Staff is seeking policy direction regarding the development of City-owned property (former Creekside Village project) and looking for Council to provide the next steps in this process.

FISCAL IMPACT:

There is no anticipated fiscal impact while considering policy direction.

CITY MANAGER REVIEW OF CONTENT: MB

LEGAL REVIEW: LZW

ATTACHMENT

Vicinity Map

